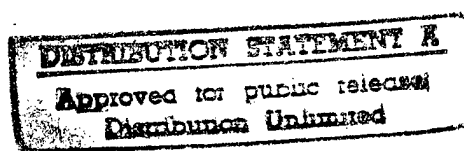




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Soviet Union

USA: ECONOMICS, POLITICS, IDEOLOGY

No 1, January 1989

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Learning from U.S. Experience in Socio-Economic, Political Areas Urged

18030007a Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 89 (signed to press 20 Dec 88) pp 3-12

[Article by Eduard Yakovlevich Batalov, candidate of philosophical sciences and lead scientific associate at Institute of U.S. and Canadian Studies: "American Experience and Our Perestroika; Sociological Deliberations"; words in boldface and italics as published]

[Text] The subtitle of this article is a fairly precise definition of the genre: These are deliberations (sociological, in this case), attempts by the author to share certain thoughts with the reader—thoughts which will be confirmed or denied by time and by subsequent analytical studies.

It is possible that some of the opinions might seem controversial to some people, but controversial views are a normal part of a normal science. The development of the new thinking is a long and agonizing process, and the social sciences and humanities need it just as much as politics. The process could hardly take place in a sterile atmosphere in which the people engaged in scientific activity employ only "indisputable" and "approved" concepts and theories. One of the reasons for the stagnation in our social sciences might have been the frequency with which researchers were put in a position in which they had to "reconcile" their own opinions and even their research findings with directive monologues.

The genre of deliberations, inviting collective creative inquiry and debate, meets the needs of our time and, what is most important, the specific requirements of scientific creativity, because the process of searching for the truth is always a dialogue by its very nature.

One of the chief aims of the study of East-West relations (especially relations between the Soviet Union and the United States of America) is apparently the construction of a common model of these relations, an accurate reflection of reality capable of replacing the primitive beliefs that are so widespread in our social sciences. The essence of these vulgar beliefs is expressed in the polar opposition of the two systems and the tendency to view the relations between the systems as governmentally formulated relations between the working class and the bourgeoisie.

In spite of all the real (and largely unavoidable) differences, contradictions, and even antagonism between the two systems, they—and, obviously, the states making them up—are now connected to one another by more complex ties than the bourgeoisie and the proletariat. These ties are not based on dominant and submissive relationships and do not presuppose the elimination of one system by the other by force, including revolution.¹ Apparently, what we are dealing with is a historically new type of social connection, a qualitatively new model of relations requiring accurate conceptual identification and investigation. It is already obvious, however, that the two systems must deal with one another as politically and legally equal entities. Furthermore, each side is an organic part of the single and indivisible world and has unique civilizing potential.

It is in this context that the question representing the direct object of these deliberations arises: Can the potential of the bourgeois society (in this case the United States of America), particularly in the form of accumulated experience, be "placed at the service" of socialism (in this case the Soviet Union)? If so, on what basis and in what manner? Which aspects of the Americans' accumulated experience in the social and political spheres warrant our consideration today? These questions demand even more consideration now that perestroika is necessitating the mobilization of all available resources, including, apparently, even such resources as foreign experience.

Western Europe was always closer than America to Russia in culture and politics because it was closer to it socially and historically. The "borrowings" of Peter I and the Russian autocrats who followed his example did not transcend the boundaries of Europe. European experience, representing tremendous creative potential, is still of indisputable interest to socialism today, but America also warrants the closest scrutiny. Not because of the supposed universality of its experience, as some representatives of this nation which is so young by historical standards assert with childish naivete, but primarily because America was, in Marx' words, "the birthplace...of the idea of a united great democratic republic, the country where the first declaration of human rights was proclaimed, the country which provided the initial momentum for the European revolution of the 18th century"² and where the development of bourgeois democracy took place in the absence of the "medieval ruins"³ scattered throughout Europe.

The Soviet republic displayed a lively and pragmatic interest in American business, science, technology, and engineering experience from almost the very first years of socialist construction. Soviet specialists were interested in the scientific organization of labor in U.S. industry, the Dewey educational system, the achievements of foreign psychologists, etc. Although the "cold war" and the American administration's related acts of discrimination against its recent ally seriously complicated the already limited communication between the

two countries, just as, incidentally, the "struggle against kowtowing to the West" and against the "rootless cosmopolitans" in our own home did, they nevertheless could not kill the interest of Soviet specialists in American scientific and technical achievements.

Our attitude toward the experience of capitalist countries, whether in Europe or America, in the sociopolitical sphere was quite a different matter. Our oversimplified beliefs about capitalism and socialism and about the historical evolution of mankind, beliefs which were prevalent for a long time in our social consciousness and which influenced the attitudes of editors and censors and even of many social scientists, impeded the systematic study of this experience for the purpose of disclosing any positive potential that might be used in the development of the socialist countries. Even the reference to this kind of approach might seem odd, if not suspicious, to those who spent their whole lives following instructions (not to mention those who issued the instructions) to study sociopolitical affairs in the United States for the purpose of "rebuttal" and "exposure" and to find new proof of the increasing severity of the crisis of American and world capitalism.

Of course, there could be the rejoinder that America did exactly the same thing to us: For a long time the bourgeois press regarded (and some people still do) socialism as a coincidence, a temporary "zigzag" in history or, at best, an offshoot, so that socialism had to fight a fierce battle to defend its own right to exist, and in this battle there was a higher premium on victory than on the truth.

Although these explanations lay a historical basis for tenacious stereotypes, they cannot justify them, especially since there is another reason for the existence of the model of the bipolar world. Just as it was convenient for some groups in the United States and other capitalist countries to portray the Soviet Union (and later the socialist community as a whole) as an "enemy of the West," it was convenient for Soviet bureaucrats to perpetuate a vulgar and negative image of the Western world, depicted not only as a hostile force in the politico-military sense but also as an alien civilization with sociopolitical and spiritual values that were fundamentally incompatible with socialism (or communism).

This approach clearly limited the possibility of unbiased assessments of the achievements and mistakes of the other side, comparisons of capitalism and practical socialism in terms of a broad range of parameters, and, consequently, discerning assessments of the performance of one's own leadership. It obscured or completely concealed the fact that both capitalism and socialism are stages of a single human history, that the bourgeois civilization had absorbed many of the earlier achievements of mankind in the scientific, technical, and sociopolitical spheres, and that socialism would grow out of the dialectical rejection or "removal" of capitalism rather than its destruction. This means that the new

order, after discarding everything designed to reinforce the supremacy of the bourgeoisie and secure the interests of capital, would retain—in a more or less modified form—and assimilate the principles, values, and institutions embodying the common experience of all mankind because the possession of these is an essential condition for the transition to a higher level of civilization. This is the **logic** of progression.

The **history** of the establishment of socialism does not coincide with this logic. The process by which the primary forms of the new system of relationships are developed takes decades. It is an uneven process and it includes revolutionary advances, periods of stagnation, and regression. The process of the "removal" of bourgeois (and pre-bourgeois if it still exists) civilization is also uneven and contradictory, also takes many years, and is accompanied by spontaneous and what are now recognized as unavoidable "returns to the past" for the sake of the elimination of developments which were once considered to be "revolutionary" but turned out to be a counterproductive break with common human history and common human values.

The complex and even painful nature of this process is connected largely with the confrontational nature of the existence of the two systems; with the low initial cultural level of the victorious revolutionary masses, incapable of the intelligent management of the civilization they have inherited; with the internal contradictions of socialism, particularly between the egotistical interests of the governing bureaucracy and national interests.

Today, however, it appears that we are dealing with another situation in which there is an urgent need to reconsider our own experience and the experience of the parallel—Western—civilization and use both as factors in our own growth.

Of course, it would be naive to assume that this situation, particularly the relaxation of international tension, could put an end to the confrontation between the two systems and eliminate the need for "rebuttal," "exposure," etc. It would be just as difficult to expect the West, for which our country and the world socialist community as a whole will continue to be a competitor and/or rival in various spheres of international relations, not to try to gain the upper hand in this competition even if it does not resort to the use of military force. All we need to do is to make certain that all of this does not keep our social scientists—as it has so many times—from making an earnest effort to study the processes occurring deep within the capitalism system, assessing the sociopolitical experience of the West objectively, and seeking ways of using it. Only an objective and honest analysis, which has not been "adjusted" to fit vulgar ideological considerations and has not been influenced by the fear of discovering our own underdevelopment or our own errors, can lead to an integral view of contemporary capitalism with its contradictions and weak

points but also with its strong points and, consequently, to an accurate depiction of the basic parameters of the international context in which the development of socialism is taking place.

There could be the rejoinder that socialism, especially the Soviet form, with its more than 70 years of "service," no longer has anything to learn from capitalism, especially the American variety, in the social and political spheres because this is a "decaying" society, "alien to socialism by its very nature" and "permeated with chronic antagonism."

This kind of statement, in spite of its apparent "class" thrust, actually reflects the corporative egotism of certain bureaucratic groups living like parasites off the public's ignorance about what really happens in the West and camouflaging this with slogans about the protection of the purity of Marxism and the class interests of the proletariat.

Of course, we could argue about whether capitalism has or has not passed the highest point in its evolutionary curve, whether its development was a "preparation" for the birth of a "parallel" structure or of its future "grave digger."

Whatever conclusion we might reach, however, one thing is clear—the bourgeois society has not lost its ability to create the kind of material and spiritual products that are of common human value or are even superior in some ways to what socialism is creating during the current stage in its development—essentially only an initial stage in comparison with capitalism. We also must remember that the need to struggle for survival in the competition with socialism and to secure the social and political stability of the bourgeois society is motivating capitalism to engage in creative inquiries, is motivating it to "learn" from socialism and use its experience⁴ to enhance its own viability.

The positive potential of the American society also stems from its multiple social dimensions because the society itself is multidimensional and the sociopolitical practices of its members are invested with class content of a great variety. Throughout U.S. history there have been organizations and movements, which have occasionally acquired a mass nature, attempting to formulate a democratic or even a socialist alternative to the existing society and even to take action on these plans.⁵ This is confirmed, in particular, by the experience of the mass democratic movements of the 1960's and 1970's and the so-called alternative movements which took their place and suggested their own ways of changing American political institutions, surmounting the individual's alienation from government, solving social problems, and creating a free individual.

What does the use or assimilation of foreign experience imply? It entails the reproduction, within the context of one's own civilization, of the methods and/or forms of

activity which took shape (in the form of physical structures or in the form of common practices, behavioral stereotypes, and patterns of interrelations) in other civilizations or the analysis of these methods and forms with the aim of correcting one's own activity.

This kind of reproduction requires the appropriate methodology and culture. The mechanical transfer of the elements of one civilization to another could cause serious problems even in the sphere of technology and physical production because any product of human activity—even a "lifeless" machine—is organically connected with the context engendering it and therefore with a specific culture and civilization. The reproduction of this product in an alien context is sometimes just as difficult as an organ transplant. Success demands the verification of compatibility, preliminary preparations, and the appropriate adaptation procedure. The failure to abide by the rules governing the "incorporation" of alien experience (along with criminal mismanagement) is one of the reasons why, for example, so many of the machine tools, technological lines, and even whole plants our country has bought abroad are either on the scrap heap or are rusting in warehouses because they did not give us the products we expected.

The use of the sociopolitical experience of other countries can be even more complicated and difficult, especially if these countries belong to other social systems, because this experience is directly related to the interests of individuals, groups, or even whole nations and to their attitudes, biases, and habits.

History has shown that attempts to reproduce foreign experience in the social and political spheres are usually made on one of three levels: the whole system (or mechanism); elements of the system; and, finally, the level of principle (or the idea). It is understandable that "borrowing" on the level of the idea sets much easier conditions for the integration of foreign experience in one's own culture, but everything eventually depends on specific conditions: the degree of difference between the cultures of the donor and the recipient, the "borrowing" subject, his aims, methods, and so forth, and these must all be taken into account. When, for example, some countries freed themselves of colonial dependence and tried to reproduce the American political system, they failed miserably: The difference between the political cultures was too great, the initial level of use was too high, and the "transplant" was too...incompatible. On the other hand, the reciprocal exchange of sociopolitical experience by West European countries became one of the material prerequisites for important and meaningful processes of European integration in the sphere of politics, economics, and culture.

We must also realize that society can benefit from the assimilation of "negative"⁶ as well as "positive" experience. We have known for a long time that several of the developments which were portrayed until recently in Soviet official propaganda as something fundamentally

alien to socialism are now manifesting themselves—even if in different forms and on different scales—in our society. Bureaucratism,⁷ alcoholism, drug addiction, corruption, crime (including organized crime), the pollution and destruction of the environment, the alienation of the people from the government, foreign policy errors, and so forth turned out to be “human, all too human” (as the philosopher said) to be confined to only one structure. They have revealed themselves in distinct and menacing forms even in the socialist society, or at least during the current stage in the evolution of this society, which apparently still has a long and, judging by all indications, difficult road to travel in its development. Although the specific structural causes of the appearance of these phenomena in our society have their own distinctive features, a thorough investigation of the methods of preventing and combating them in a country like the United States could be quite useful to a society planning to restructure itself.

I realize that some of our fellow citizens might be worried that the use of Western, not to mention American, socio-political experience might lead to the “Westernization” (or “Americanization”) of the Soviet society, the loss of its uniqueness, or even the “erosion” of socialism.

I think that there is no basis for these worries. First of all, not everything that has developed in our country in the last seven decades has a socialist nature and there are some things we really need to rid ourselves of. Second, no one, after all, is saying that the system of property ownership in the United States or the existing social structure and political organization should be reproduced on Soviet soil. As far as the capabilities of certain specific borrowings are concerned, the Soviet civilization, as a modified form and continuation (one of the possible continuations) of the Russian civilization, is still in a relatively early stage of its evolution,⁸ in which the stability of the system of mechanisms (or matrices) of its self-reproduction and its absorbing-transforming and integrating powers are so great that the problem does not consist in “protecting” ourselves from foreign influence but in making our society more receptive to reasonable and intelligent foreign practices. The pragmatic individual might say that all of this is nothing but theorizing. Just what is it that the author wants to “borrow” from the Americans? At the very least, exactly what does he believe warrants consideration?

This is a legitimate question, although I, for example, am firmly convinced that today, in this initial phase of perestroika, it is much more important to solve the central theoretical and methodological problems. Later, on the basis of a thoroughly considered theory, without any of the extra improvisation our reformers are usually guilty of, we can begin investigating the American experience seriously and directly. Meanwhile, we can probably already cite two or three examples.

I think everyone agrees that one of the main objectives of perestroika is the democratization of government agencies and the improvement of the system of elections to

these agencies. Even the first tentative steps in this direction, however, have revealed a multitude of problems: the lack of nomination mechanisms meeting the needs of this objective; the reluctance of many potential candidates to compete with colleagues in the fear of suffering a defeat and “losing face”; the inability of candidates to “promote themselves” and bring their platform to the attention of voters; the lack of the necessary leadership qualities in the future elected representatives of the people—not as agents, but as political leaders prepared to defend their position firmly in dealings with the state; the lack of mechanisms for the exertion of effective pressure on candidates and deputies by the electorate, etc.

While we are trying to solve all of these problems, would it not be worthwhile to take a look at the experience of other countries, including the United States? Is it not time to take a more objective look at the mechanisms and models which our critics of the “much praised bourgeois democracy” have lambasted so many times?

Let us first take a look at the nomination of candidates for deputy—above all, the self-nomination procedure practiced in the West. We sometimes hear that self-nomination is incompatible with the principles of the collectivist moral code (as if the established procedure in our country, when candidates are carefully selected and checked behind closed doors by a small group of men at the top, after which they are “nominated” and “elected,” is consistent with these principles).

I think that there is nothing unacceptable about the principle of the self-nomination of a citizen who wants to serve society and who feels strong enough to do so.⁹ Furthermore, this could arouse the political initiative and responsibility of citizens, involve representatives of the “lower levels” in politics, and simultaneously lighten the load (at least the organizational, if not the financial, load) of state and party organs.

Then there is the matter of voter contact with deputy candidates. The critics of the American electoral process, almost all the way back to de Tocqueville, have frequently and justifiably directed attention to its unwieldiness, high cost, ostentatiously commercial nature, and other flaws. Obviously, however, it also has its good points. For a certain period of time—sometimes quite long—the candidate for an elected office is in view of the electorate, so that the latter can form definite opinions about his personality, his political platform, his general outlook, his level of activity, and other qualities, and this is something our voters usually have no chance to do. In turn, contact with the electorate on the local level gives the candidate a chance to gain a much better sense of the wants and needs of people than he can gain from various types of “mandates,” which might record some (but far from all!) urgent problems but do not say anything about the real pulse of public opinion.

Incidentally, we should also look into the matter of public opinion—or, more precisely, the public opinion polls conducted in the United States on various levels during election campaigns. In the presence of competition and the sincere intention to consider the wishes of voters and act on them, our candidates and deputies will be unable to get along without this kind of institution, and it is no secret that the Americans have accumulated tremendous experience in this area.¹⁰ (In general, I must make the parenthetical remark that the American experience in conducting polls warrants the most serious investigation—especially the methods of their organization and the practical use of the results.)

Let us return, however, to the electoral process—or, more precisely, to the role played in this process by the mass media, especially television. The candidates' political ads, their appearances on TV to explain their platform to the viewers, and the televised debates between candidates could, in my opinion, make a serious contribution to the improvement of the quality of our deputy corps and the democratization of elections if they could be cleansed of the "show business" elements characteristic of the American practices.

The need to master the art of political dialogue has recently been debated for good reason in our country. This art presupposes the ability to articulate one's own views precisely, to back them up with logical arguments, to hear the opponent's views and, while displaying tolerance for the other point of view, to refute it when necessary with counterarguments rather than with threats of "reports to the proper authorities." The spacebridges showed the entire world that only a few people in our country, even among experienced politicians, have mastered the art of debate. And where could they have learned the art of political dialogue in the past?

While we are filling this gap (and others), it would be worthwhile to take a look at our aborted political traditions—both pre-revolutionary and those which took shape in the post-revolutionary years and existed until the end of the 1920's, until the time when dialogue in the party and society was ousted by Stalin's monologues to the accompaniment of a multitudinous choir of yes-men. It would also be useful to take a look at the art of dialogue which took shape throughout the 19th and 20th centuries within the framework of the Western bourgeois democratic tradition.

Of course, our politicians have no need to ruin each other, as representatives of competing parties and groups in the West frequently do, but publicly exposing the weak links in the opponent's position, his shaky arguments or, for instance, the conservatism of his views not only strengthens one's own platform but also brings people closer to the truth and simultaneously helps voters define their own views more precisely and make the proper choices.

It would be worthwhile to note another positive, in my opinion, facet of the election campaigns conducted by some American politicians. This is the participation (on a voluntary basis) of young people, primarily college students, who are interested in politics and are preparing for a political career. By helping the candidate organize meetings with voters, compile the appropriate documents, arrange for advertising, and so forth, they undergo a good training course in political practices which can do more for the future politician than any university.¹¹ It is true that the need for this kind of "school," presupposing voter feedback and competition by several candidates, simply did not arise until recently among our politicians, who were used to the authoritarian style of public administration, but if we are really preparing to democratize the political organization of our society, this kind of practical training could be a good thing for our young people.

Now let us look at another matter perestroika has put on the agenda: the reduction of the "load" of the government and party and the development of public involvement in administration. The years of the Stalin regime and, for that matter, the subsequent period in the evolution of Soviet society were marked by the excessive growth of a new leviathan, the governmentalization of virtually all facets of social life, and the encouragement of mass conformity, fostering the development of a conformist individual, isolated from power, completely deprived of any chance to make political decisions independently, and accustomed to carrying out the orders of "official agencies" without question.

One of the main current problems consists in developing the political initiative of the public—acting in accordance with the ideas of Marx and Lenin about the gradual extinction of government: i.e., the gradual replacement of the power of the machinery of state with the power of the public in the socialist society—and in freeing the public from the excessive patronage and pressure of this machinery, setting civic potential free, and simultaneously attempting to debureaucratize our state and public institutions.

While we are solving this problem with a view to our own political and cultural traditions, it would also be worthwhile to take a look at the experience of the American society, where the tradition of struggle against "big government" was always strong and where this struggle was led by voluntary associations believing in the autonomous resolution of social, economic, political, legal, ecological, and other problems. There are many such associations even today.¹² Like the principle of "self-reliance,"¹³ they are not an indication of anarchy or egotism (as some critics have said) but have actually helped to arouse civic initiative and responsibility and have served as a powerful impediment to governmental and monopolist totalitarianism. These associations also serve as something like levers of pressure on the government and the corporations by encouraging them either to refrain from making decisions contrary to the public

interest or to make the decisions the public wants. It was precisely at the lowest level and on the basis of public initiative that the strong consumer advocate movement took shape in the United States under the leadership of R. Nader, who has played and is still playing a perceptible role in the struggle of citizens for consumer goods of better quality and, in the final analysis, the improvement of the quality of life. Why should we not learn how these associations are formed, how they do their work, how they interact with the government, and so forth? We are certain to gain much of value from this.

Furthermore, would it not be worthwhile to study the activities of government agencies, including the U.S. Congress, from the standpoint of our own current problems and interests? American, Soviet, and other authors have written an entire library of books about the defects in this mechanism, but does this mean that there are no constructive principles, embodying the idea of the legal state, underlying the performance of Congress? Or that the system of "checks and balances" is of no interest whatsoever to the socialist state?

Now let us consider the state of political science in the United States. Soviet specialists usually describe it as something in a state of almost permanent crisis and, in general, of little use to socialist social scientists (with the possible exception of statistics or a few technical or procedural details). It is evidently time to take a more objective look at the results of the work of our American colleagues and, without denying their limited view of the world or the signs of crisis in their science (wherever they actually do exist), to admit that they have done productive work in, for instance, studies of the dynamics of mass movements, socialization, political culture, patterns of authority, and so forth, which could also help us deal with our own problems and augment the research tools of Soviet political science. After all, the best representatives of bourgeois science are also capable of surmounting the class barrier, especially now that this is becoming an essential condition for the preservation of influence by the dominant classes and groups in the coming era of a globally interdependent world.

I could also name other spheres of sociopolitical life in which the industrious Americans have accumulated experience of serious interest to active supporters of *perestroika*, but they are not part of this discussion.

The globally interdependent world mankind is entering will be a world of mutual teaching and mutual learning, a world in which man will experience an acute and constantly growing shortage of time,¹⁴ and therefore the time saved by using information obtained by other members of the international community (i.e., essentially mutual education) will secure the survival and development of each of these members. It will be a world in which one of the most important measures of strength

will be the ability to quickly register, analyze, evaluate, and properly use the experience (positive and negative) of other countries.

It is quite probable that the only great powers of today which will remain great in the 21st century—in terms of civilizing potential and not in terms of military strength—are those that can, all other conditions being equal, learn to use international experience most effectively and thereby speed up their own historical development. This applies completely to our country as well.

Footnotes

1. Strictly speaking, the practice of equating relations between the two systems with the relations between the bourgeoisie and the proletariat is not completely consistent with the thesis of peaceful coexistence as socialism's strategic line in international affairs.

2. K. Marx and F. Engels, "Works," vol 16, p 17.

3. *Ibid.*, vol 21, p 347.

4. The use of the positive experience of socialism by the American (and Western in general) bourgeoisie was probably reflected most clearly in the process of creating "socially responsible government." The negative experience of the socialist countries, particularly the shortcomings of centralized planning and the government control of property with all of the ensuing flaws, authoritarian methods of management, and so forth, has also been actively exploited for the reinforcement of the values of bourgeois civilization.

5. It is not surprising that America became a "test site" for many European social utopians, including Robert Owen and Etienne Cabet, who crossed the ocean to establish settlements there embodying their dreams. For a more detailed discussion of this, see E.Ya. Batalov, "Sotsialnaya utopia i utopicheskoye soznaniye v SShA" [Social Utopia and Utopian Thinking in the United States], Moscow, 1982.

6. When I use the term "negative experience," I am referring to the mistakes and miscalculations which should be studied so that other countries can avoid them or at least alleviate their devastating effects (the American war in Vietnam is almost a classic example) and to the experience in their elimination and prevention.

7. We must not confuse bureaucracy as a type of administration (and the professional stratum of administrators) with bureaucratism, which is a dysfunction of any type of administration. Bureaucracy can lead to bureaucratism, but the latter can exist even in the absence of bureaucracy.

8. For a discussion of stages in the evolution of ethnic groups and civilizations, see the interesting study by L.N. Gumilev, "Etnogenez i biosfera zemli" [The Earth's

Biosphere and Ethnogenesis], (All-Union Institute of Scientific and Technical Information, Moscow, 1979).

9. Article 37 of the draft USSR law "On Elections of People's Deputies in the USSR" can be regarded as a step in this direction. It envisages the right of the people attending deputy nomination assemblies to "submit their own names for *consideration* (italics mine—E.B.) as candidates for deputy."

10. For more about this, see M.M. Petrovskaya, "SShA: politika skvoz prizmu oprosov" [U.S. Politics Reflected in Public Opinion Polls], Moscow, 1982.

11. I must say that political training, theoretical and practical, is a serious matter in large American universities, especially those attended by the elite: Courses are taught in political philosophy and sociology, there are political clubs on campus, various debates are organized, including debates to which prominent politicians are invited, simulation exercises are conducted, etc.

12. According to the estimates of Soviet scholars of American affairs, based on the data of the public opinion research center of the University of Chicago for the end of the 1970's, only 27.23 percent of the adult Americans did not belong to any organizations and the rest were members of one or several organizations. Of the more than 70 percent of the Americans belonging to various organizations, 56.82 percent belonged to 1-3 organizations, 10.84 percent belonged to 4 or 5, and 4.19 percent were even members of 6-10 (calculated by a group of Soviet experts under the supervision of A. Kokoshin, S. Plekhanov, V. Savelyev, and I. Geyevskiy with data from "General Social Surveys, 1972- 1978: Cumulative Codebook," Chicago, 1978, pp 113-116, 117).

13. Yu.A. Zamoshkin, "Lichnost v sovremennoy Amerike" [The Individual in Present-Day America], Moscow, 1980.

14. We do not fully comprehend this shortage in our country yet. This is attested to by such far removed indicators as the slow pace at which administrative agencies on various levels make certain vitally important decisions; the considerable time lag between the appearance of ideas (including scientific and technical ones) and their implementation and mass incorporation; the slow pace of daily life—even in the central zone. The Soviet individual still does not suffer from the same "shortage" of time as, for instance, the Japanese or American person does. A change in the pressure exerted by the time frame might turn out to be one of the most perceptible indicators of the genuine acceleration of our society's development.

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U.S., Soviet Positions on Limiting Arms Trade Compared

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[Article by Petr Gennadiyevich Litavrin, candidate of historical sciences: "The Issue of Arms Trade Limitation"]

[Text] Limiting the arms trade is part of the problem of stopping the arms race. The implementation of the INF Treaty, the intensive talks on the reduction of strategic offensive arms by 50 percent, the prohibition of chemical weapons, the limitation and prohibition of nuclear tests, and the reinforcement of trust between East and West testify that disarmament is a realistic goal but also point up the need for a comprehensive approach to its attainment. It is impossible to imagine that the process of disarmament and the improvement of the international atmosphere could be accompanied by a flourishing arms trade.

The production of arms specifically for export has been going on for several centuries. Although arms shipments provide sellers with a large income, they ultimately inflict great damage on the purchasing countries because their acquisition diverts the funds needed for development, and frequently even for survival. Arms purchases alarm neighboring countries and force them to respond by importing or producing arms of their own. In this case the machinery of actions evoking reactions works flawlessly, and at the end of the 20th century most of the states in the world are involved in the purchase, sale, and transfer of arms.

We cannot deny that attempts were made to limit the arms trade, but they were unsuccessful. The UN Charter prohibits the delivery of arms to an aggressor, and the General Assembly of this organization has made several decisions on embargoes on the sale of arms to racist regimes. There have been several attempts to restrict deliveries of certain types of weapons to conflict zones, but they have not produced any significant results. World arms exports in 1982-1986, according to the data of the Stockholm International Peace Research Institute (SIPRI), exceeded 160 billion dollars, and 70 percent of these arms were sent to developing states. According to these calculations, the NATO countries exported 58 percent of the total (the United States exported 34 percent) and the USSR exported around 31 percent.¹

Besides this, there are also unregistered or secret transactions in the sale and re-export of arms. This is the reason for significant differences in calculations. According to various estimates, for example, American exports in 1986 alone ranged from 14.9 billion dollars to 34 billion.²

Today, at the end of the 1980's, the situation in this sphere, just as in the arms race as a whole, has reached

the critical point and could go out of control. First of all, the number of new suppliers and the number of secret deals are increasing while the world powers' share of the arms trade is decreasing (the United States and USSR now account for less than 59 percent of all shipments),³ and this means that their ability to influence the state of affairs is also decreasing.

Second, there is obvious progress in the military industry in developing countries. At this time they are still purchasing most of their weapons, but the emphasis is being shifted to the acquisition of technology and an industrial base. When dozens of new countries begin their own military production, the difficulty of closing channels for the spread of the arms race will be compounded severely. Whereas there were 7 arms producers in the "Third World" in 1970, there were already 26 in 1986.⁴

Third, the destructive potential of contemporary conventional weapons is increasing; some of the exported types are capable of carrying nuclear warheads. All of this could have unpredictable consequences, particularly in view of the intense scientific and technical revolution in the military business and the political instability of developing countries.

Furthermore, it is becoming increasingly obvious that no country, developed or developing, can solve its own security problems by acquiring new weapons. This is demonstrated by the situation in the Middle East, where the huge arsenals of Israel, Saudi Arabia, the UAE, Iran, Iraq, and Syria have consolidated neither their own security nor the security of the entire region. The same can be said of the situation in Central America, Africa, and Asia. The seats of tension here, the accumulated mistrust and enmity, and the unresolved territorial, political, and economic problems are impeding disarmament.

In connection with this, deliveries of weapons to the Asian, African, and Latin American countries are often rationalized by the assumption that conflicts create a demand for weapons and that it must be satisfied. In line with this reasoning, as soon as the conflicts are resolved and the seats of tension are extinguished, the need for arms deliveries will disappear.

The advocates of this approach, however, do not realize that although the demand for weapons is sustained largely by ongoing conflicts, there is also a reciprocal, often equally important connection. Constant shipments of weapons to rival states fuel the enmity between them, urge them to launch military operations, and increase their duration and destructive effects. This is why the political settlement of conflicts, negotiations, and the cessation of arms shipments should take place simultaneously, supplementing and promoting one another.

There is no question that the global resolution of the problem of limiting weapon shipments will require the efforts of the entire world community, and not just of one or two states. The arms trade is multilateral, and this

means that the departure of the leading suppliers from the market could motivate other exporters to fill this vacuum or stimulate local military production. The opponents of arms trade limitation in the West bring up this possibility frequently, commenting that only multilateral measures can be effective, and since the prospects for a multilateral agreement of this kind are still remote, the resolution of the problem of limiting arms shipments is also a job for the future.

Although the USSR and United States have reduced their share of world arms shipments and although their influence in the arms market is gradually decreasing, it would be wrong to underestimate the capabilities of these countries, including their ability to set an example, and the impact of their coordinated actions.

This problem, like the arms race as a whole, was engendered largely by the political and military confrontation between the Soviet Union and the United States. Today the growth of the arms trade is an objective threat to all, and if it is to be eliminated, the first step could be taken by the great powers bearing most of the responsibility for keeping peace in the world.

Some experience has already been accumulated in this area, and this is attested to by the Soviet-American talks on the mutual limitation of arms shipments in 1977 and 1978. As we know, the primary focus of these talks was the limitation of shipments of military equipment and weapons to the developing countries and the definition of the politico-legal and military-technical criteria of these limits.⁵ The purpose of the talks was not a search for ways of concluding some kind of comprehensive bilateral agreement, which was and is highly unlikely, but the institution of limits on certain types of deliveries to some countries and regions and the elaboration of a specific code of behavior and basic principles of action in this sphere. The United States insisted that military-technical characteristics should be the main criterion in the shipment of weapons instead of political considerations. It also wanted to block all channels for the delivery of weapons to national liberation movements and to exclude the Middle East from the agreement. The USSR was striving to limit the re-export of weapons and the transfer of military technology. Their points of agreement included the refusal to deliver weapons to an aggressor and to ship the most destructive and offensive arms. Gradually, under the pressure of the right wing, the United States took a tougher line and eventually broke off the talks unilaterally by not attending the scheduled meeting at the beginning of 1979, using the events in Eritrea, where Ethiopian government troops were conducting military operations against the separatists with Soviet weapons, as the pretext.

U.S. Policy

What is the United States' current position on this matter? American policy on the arms trade has undergone significant changes since the end of the 1970's. President Reagan issued a special directive on 8 June

1981 to eliminate obstacles in American exports of weapons for the purpose of "promoting the expansion and development of the defense industry."⁶ This objective was intended to increase the profitability of the U.S. military industry because arms exports could lower overhead costs.

The role of the American government in the sale and transfer of arms and military equipment also changed. The 1976 arms export control act imposed substantial restrictions. In particular, it set a ceiling on U.S. arms sales to developing countries and restricted exports of the most advanced and most destructive types of weapons. The state of affairs with regard to human rights in the recipient country was also taken into account.⁷ Reagan's first term in office from 1981 to 1984 was something like a "liberal era," in which suppliers were allowed to make their own decisions on what they would sell, in what quantities, and to whom (with the exception of a few countries, most of them socialist, and some other minor restrictions). Later, in 1985, the increasing worries about leaks of advanced technology to the USSR and other socialist countries and the growing fear that some of the most dangerous types of weapons could fall into the hands of terrorists led to the stricter control of arms transfers by the American Government.

In spite of the importance of the economic aspect of this matter, political considerations always played the main role in U.S. arms exports. The arms trade is a major element of American foreign policy and is regarded as a means of influencing and pressuring states, attaching them to U.S. foreign policy, and supporting pro-American forces and groups.

The transfer of weapons for the purpose of drawing certain states into one's own orbit, satisfying the ambitious needs of their leaders, or securing internal stability with armed force has advanced the military to the forefront of the political stage in many developing countries. It is interesting, for example, that American exports of weapons to Latin America peaked in the 1970's, when the military establishment's position on the continent was strongest and when juntas governed most of the Latin American countries. Shipments of American weapons did much to strengthen the army's political position on this continent. As Chilean researcher A. Varas correctly pointed out, the merger of the military-technocratic elite and the leading corporations manufacturing weapons enhanced the autonomy of the military in the developing countries.⁸

The geographic range of American shipments is quite broad, but the main destination since the 1970's has been the Near and Middle East, where the leading recipients are Israel (it bought 3.6 billion dollars' worth of weapons from the United States in 1988) and Egypt (2.7 billion dollars' worth in 1988; besides this, it purchased the rights to assemble the M-1A1 tank, which will cost Egypt another 2 billion dollars). Other major clients are South Korea (3.3 billion dollars in 1988), Pakistan,

and Taiwan.⁹ At the beginning of the 1980's the leading importer of arms from the United States was Saudi Arabia, which bought American weapons worth 31 billion dollars in fiscal years 1980-1986, but now it is lower on the list because it has already purchased so much and because oil revenues are decreasing. American military aid to Pakistan has been growing in recent years and could reach a total of 4.2 billion dollars for the last 6 years. Arms shipments have included several F-16 planes capable of carrying nuclear weapons, Stinger missiles, and radioelectronic equipment.¹⁰ Washington is disregarding Islamabad's obvious attempts to gain access to nuclear weapons. The U.S. administration even convinced Congress to exclude Pakistan from the ban imposed by the Symington amendment on military and economic aid to countries developing nuclear weapons of their own.

Exports of American weapons to Latin American countries do not appear large in comparison with shipments to the Middle East and Asia, but one significant point is that purchases of arms from the United States absorb the lion's share of American military aid, which totaled 125 million dollars to El Salvador, 79 million to Honduras, and 2 million to Costa Rica in 1986.¹¹ Besides this, Honduras plans to buy F-16 planes, which could make its air force stronger than all of the other Central American air forces combined.

Exports of American weapons to South American countries have decreased considerably. In 1986 weapons worth 18 million dollars were sold to Argentina, 55 million dollars' worth were sold to Brazil, and negligible quantities were sold to other states.

In any case, American exports of military equipment to the developing countries have decreased slightly in the last 2 or 3 years, but this was not the result of purposeful action by the Reagan administration or of the Third World's reluctance to buy American weapons. The main reason for the smaller purchases of conventional arms by these countries is their colossal debt, which exceeded a trillion dollars in 1986, and another reason is the declining price of oil, which perceptibly limited the ability of such traditional buyers as Saudi Arabia and the UAE. Competing suppliers from such countries as Brazil, Israel, Singapore, and some others are now challenging the United States more openly. Although they are not superior in the development of complex high technology items, their cheap labor gives them an advantage in the production of simple and reliable firearms and light planes and tanks (Brazil's Enzes and Embraer planes and Urutu and Osorio tanks, South Korea's handguns, Israel's machine guns, etc.). Competition is also more intense between American and West European suppliers, especially French and English firms.

Some factors within the United States do not favor the expansion of American exports either. Above all, there are the exposures connected with the "Iran-contra" affair. They helped to increase public and congressional

concern and anxiety because they showed that the American shipments of weapons to Iran were not only unprincipled but also, in the final analysis, senseless.

There are increasingly strong feelings in favor of arms trade limitation in the U.S. Senate. In particular, when Democratic Senator W. Proxmire was commenting on the administration's actions, he said that the simultaneous shipment of American weapons to rivals—China and Taiwan, India and Pakistan, and Argentina and Brazil—and the sale of weapons to Iran are “worse than mere stupidity, incongruity, or hypocrisy—they represent flagrant ridicule of the ideals in which we believe.”¹² The “Iran-contra” affair proved, in addition to everything else, that the Reagan administration had no precise criteria to judge who should or should not be sold weapons and that its political goals and means were confused.

Besides this, Reagan administration policy on arms exports ceased to represent an effective instrument of U.S. foreign policy to many Americans and became a cheap way of attaining selfish and not always justified goals. As the Tower Commission noted after it had investigated the “Iran-contra” affair, “by violating the ban on sales of weapons to Iran, the United States is urging other countries to do the same. Actions of this kind could change the balance of power between Iran and Iraq and later cause difficulties for other Persian Gulf countries and hurt Western interests in this zone.... These actions have made people wonder whether they can trust U.S. policy statements.”¹³

The critical view of the arms trade also stems from the fear that these weapons, particularly in such forms as highly accurate antiaircraft missiles or components for the production of toxic substances, could be re-exported from a developing country to terrorists. The leaders of the Western countries are also worried about the possible proliferation of the technology for the production of missiles capable of carrying nuclear weapons, as the “big seven” said in their message to the USSR.

People in Washington must realize the threat posed to international air traffic by, for example, the sale of Stinger antiaircraft missiles to the Afghan dushmans, who shot down six planes with civilians on board just in 1987. All of the possible negative consequences of this move, however, did not keep them from trying to attain specific, quite confined political goals. This line of reasoning is typical of assessments of the expediency of transactions by the United States and other suppliers.

The pressure exerted by such traditional clients as Egypt, Saudi Arabia, and Jordan, which are insisting on larger shipments of advanced and technically complex arms, is seriously impeding the limitation of American exports of weapons to the developing countries. The political and economic advantages of arms exports still outweigh the considerations dictating the need for their limitation.

Therefore, although there has been growing anxiety in the United States and in Western Europe recently in connection with the expansion of the arms trade, the appearance of new producers and exporters, the increasing complexity of the equipment sold, and the possibility of the proliferation of the most dangerous types of weapons, it still has not led to perceptible changes in policy. In fact, projected exports for 1988 (just under 15 billion dollars) exceed last year's figure by 3.3 billion dollars.¹⁴

Some experts and politicians in the developing countries are trying to shift all of the responsibility for the arms trade exclusively to the developed countries, especially the United States, and also to the USSR, alleging that they are forcing an arms race on them. For example, Director Subramaniam of the Indian Defense Research Institute remarked that military and political leaders in the developing countries are influenced by the West and concluded that blaming these countries for excessive purchases of arms is the same as “prosecuting the users of narcotic drugs instead of the pushers.” He asks what Iran and Iraq would have done without shipments of arms from outside.¹⁵

If we must accept this comparison, however, we also have to admit that the users of drugs are also guilty and are not mere victims.

Specialists from SIPRI made the justifiable observation that “if enough recipient countries were to reduce their military expenditures, a move now being considered in Latin America, the considerations dictating the need for the limitation of production might have a stronger effect on producers and exporters.”¹⁶ Although several factors, mainly of an economic nature, restrict the arms imports of developing countries, regional conflicts and internal instability are the nutritive medium in which militarism is constantly growing stronger. In turn, this compounds their difficulties, slows down their socioeconomic development, and increases their foreign debt. As Soviet researcher I. Ivanov pointed out, when the arms imports of these countries represent 6-8 percent of their GNP, the development process is halted, but the decision not to import weapons would increase the rate of economic growth by 0.76 percent and reduce their total foreign debt by 20-30 percent.¹⁷

The USSR's Position

It is no secret that the Soviet Union has repeatedly proposed the discussion of the issue of arms shipments for the purpose of their limitation. It did this at the first special session of the UN General Assembly on disarmament in 1978 and in the Prague declaration of the Warsaw Pact states of 5 January 1983.

In his response to the leaders of the Club of Rome, M.S. Gorbachev expressed our country's opinion: “We share your belief that the sale and delivery of conventional weapons are a dangerous channel for the spread of the

arms race to various parts of the world and are contributing to the creation of seats of tension and conflict there.... The Soviet Union is in favor of the limitation of international sales and deliveries of conventional arms, the resumption of the corresponding Soviet-American talks, and progress in these talks."¹⁸

For a long time the Soviet Union not only supported the national liberation and revolutionary liberation movements but also tried to respond to each U.S. challenge in the Third World, which involved our country in the arms race that is now creeping into all parts of the world. Economic considerations gradually began to play an important role. All of this led to a situation in which vigorous efforts to limit arms shipments became difficult even for the USSR. The shipments are connected with serious economic issues, military-technical collaboration with allies and friendly countries, and fidelity to earlier commitments.

There is no question that these are extremely important considerations, but no one has the right to make exceptions for himself. Past experience, the present state of affairs, and the new thinking require all exporters to base the criteria of arms shipments and the development of military-technical collaboration not only on economic, political, and regional factors but also on the main objectives of arms control and the settlement of regional conflicts, especially now that the experience of many states has demonstrated that if arms shipments and military aid are not reinforced by broad-scale economic cooperation and close political relationships, they cannot represent effective and long-term means of influence. Because of the complex political panorama in the developing countries and the rapid changes in the situation there, they can cease to be a means of strengthening stability and sustaining the regional balance of power and quite quickly turn into a disruptive factor. Furthermore, arms shipments and military aid have sometimes led indirectly to the involvement of our country in regional conflicts.

Besides this, the foreign currency revenues derived from these shipments now appear increasingly dubious: The serious economic problems of several of the countries engaged in military-technical collaboration with the USSR and their participation in regional conflicts are increasing their debts, and the prospects for repayment are extremely uncertain.

Some of the specific conditions needed for more active efforts to limit the arms trade and weapon shipments already exist. In particular, the Soviet-American agreements of 1977-1978, the vote in the UN Security Council on the settlement of the Iran-Iraq conflict, and the conclusion of agreements on arms limitation and disarmament prove that the USSR and the United States can display a common interest in the resolution of problems connected with security and disarmament and, consequently, can begin taking action on specific problems.

Definite potential for agreement on mutual restrictions on deliveries of some weapons systems to developing countries (for example, ballistic missiles and automatic firearms) already exists, especially now that several countries are unilaterally adhering to limits of this kind.

As the second special session of the UN General Assembly on disarmament in June 1988 proved, the number of countries alarmed by the continuation of arms shipments and by the appearance of new and increasingly dangerous and destructive types of weapons on the market is increasing. This was expressed quite clearly in statements by representatives of Italy, Colombia, and Nigeria at the special session.¹⁹ Even U.S. Secretary of State G. Shultz advocated limits on deliveries of some types of weapons, such as missiles capable of carrying nuclear weapons.

As for the USSR, "the Soviet Union," as Foreign Minister E.A. Shevardnadze announced at the special session, "wants limits on sales and deliveries of conventional arms."²⁰

Therefore, it is possible to find points of USSR-U.S. convergence in the matter of limits on arms shipments, especially with regard to such aspects as stricter control over transfers (to lessen the probability of re-export); the decision not to send the newest and most technically advanced weapons to the developing countries and regions where these weapons do not exist; the mutual refusal to send arms to countries behaving in accordance with the definition of aggression in the UN Charter and refusing to abide by UN Security Council resolutions and decisions on the cessation of military operations.

Obviously, not all initiatives in the limitation of arms shipments will evoke a positive or favorable response. Consultations with the United States would help in defining the exact nature and range of issues to be discussed, discerning the changes and evolution in the American position, and planning possible courses of action in the future. It is clear that the present situation differs from the situation in 1977 and 1978, and primarily because the remaining differences between the Soviet and U.S. approaches to regional shipments and politico-legal aspects of arms sales could be balanced by their common interest in setting restrictions on military-technical characteristics.

We must strive to make use of these possibilities because experience has shown that the augmentation of arms shipments and military presence in any region is senseless. It is significant that all of the weapons which were delivered to the developing countries in the last 10 or 15 years did not bring them peace but probably did the opposite, helping to escalate tension.

The consideration of economic benefits, the search for unilateral advantages, the desire to guarantee one's own security at the expense of others, and the attempts to supplant one's own competitors—all of these factors

influencing arms trade and transfer policy are contrary to the ideas of the new political thinking because disarmament and the creation of a comprehensive system of international security and a non-violent world cannot be accomplished without solving the problem of the arms trade.

Footnotes

1. "SIPRI Yearbook 1987," New York, 1987, p 183.
2. MEZHDUNARODNAYA ZHIZN, 1988, No 1, p 153.
3. "SIPRI Yearbook 1987," p 183.
4. MEZHDUNARODNAYA ZHIZN, 1988, No 1, p 153.
5. For a more detailed discussion of these talks, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1980, No 5, pp 19-30.
6. "Changing Perspectives on U.S. Arms Transfer Policy," Washington, 1981, pp 122-123.
7. BULLETIN OF THE ATOMIC SCIENTISTS, July-August 1987, p 20.
8. "Disarmament. A Periodic Review by the United Nations," New York, Autumn 1986, p 82.
9. THE NEW YORK TIMES, 31 May 1988.
10. BULLETIN OF THE ATOMIC SCIENTISTS, July-August 1987, p 25.
11. "SIPRI Yearbook 1987," p 186.
12. CONGRESSIONAL RECORD, 14 January 1987, S-726.
13. Quoted in: SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1987, No 7, pp 91-92.
14. BULLETIN OF THE ATOMIC SCIENTISTS, July-August 1987, p 25.
15. "Nuclear Strategy and World Security. Annals of Pugwash 1984," edited by J. Ratblat and S. Hellman, Washington, 1985, p 321.
16. "SIPRI Yearbook 1987," p 221.
17. MEMO, 1987, No 7, pp 14-15.
18. M.S. Gorbachev, "Izbrannyye rechi i statyi" [Selected Speeches and Articles], vol 3, Moscow, 1987, pp 41-42.

19. "UN General Assembly, 15th Special Session. Preliminary Stenographic Record of 10th Meeting," A/5-15/PV, 10, 20 June 1988.

20. PRAVDA, 9 June 1988.

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Reagan Military Buildup, Limits on It Surveyed
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[Article by Georgiy Ivanovich Svyatov, doctor of historical sciences and senior scientific associate at World History Institute, USSR Academy of Sciences: "Third Postwar Peak of U.S. Militarism"]

[Text] Three cycles of mounting militarism are distinct in the postwar history¹ of the United States of America. The first two are known as the "Korea" and "Vietnam" cycles. The third could be called the "Reagan cycle" with complete justification. A distinctive feature of these cycles is that military expenditures increased and represented a larger share of the gross national product during these periods in history.

The first postwar peak of militarism took place in the 1950's, at the end of the Truman administration and the beginning of the Eisenhower administration, when proportional military expenditures in the American GNP rose from 4 to 14 percent during the war in Korea in 1950-1953, while the number of armed forces personnel rose from 1.5 million to 3.6 million, with around 400,000 directly involved in the aggression.²

After the Korean War, in the second half of the 1950's, U.S. military expenditures and the number of armed forces personnel decreased slightly (proportional military expenditures in the GNP decreased from 14 to only 8 percent, and the number of armed forces personnel decreased from 3.6 million to 2.5 million),³ but the burden of militarism in the country was twice as heavy as in the "pre-Korea" years. It was at this time that Washington announced the extremely dangerous and provocative strategy of "massive retaliation." Banking on its overwhelming nuclear superiority to the Soviet Union, the United States began the dramatic buildup of nuclear potential and the stepped-up deployment of strategic and operational-tactical nuclear weapons.

The second postwar peak of militarism took place in the 1960's, at the time of the Kennedy and Johnson administrations and particularly at the height of the war in Vietnam in 1968, when proportional military expenditures in the GNP rose from 8 to 10 percent and the number of armed forces personnel rose again from 2.5 million to 3.6 million, with almost 600,000 of them fighting the aggressive war in Southeast Asia.⁴

At that time U.S. policy on armed forces construction was influenced by the replacement of "massive retaliation" with the politico-military strategy of "flexible response," based on the idea of strategic nuclear superiority (but to a lesser degree than in the 1950's) and the training of general-purpose forces to fight "two and a half wars" (with the USSR in Europe, with the PRC in Asia, and "half a war" somewhere else—in Vietnam, as it turned out).

In the 1970's, during the years of the Republican Nixon and Ford administrations and the Democratic Carter administration, U.S. military policy was complex, ambiguous, and contradictory, but it was of a more positive nature in general and was based on the politico-military strategy of "realistic deterrence" for the United States and the strategy of "flexible response" for NATO, including the United States. The basic concepts of the strategy of "realistic deterrence" were "strategic nuclear sufficiency" and the training of general-purpose forces for "one and a half wars" (a big war with the Soviet Union and a small war with another adversary).

Under Presidents Nixon and Ford the development of the U.S. Armed Forces was marked until 1975 by the reduction of armed forces personnel (by around 40 percent) and of the defense budget (around 30 percent in comparable prices). The main reasons for these reductions, which primarily affected general-purpose forces, were the withdrawal of American troops from Vietnam and other countries in Indochina, the new PRC foreign policy line, which seemed agreeable to U.S. ruling circles, the larger contribution of the United States' West European allies and Japan to the overall military potential of the leading capitalist countries, and the strong anti-war feelings and demonstrations within the country.

In 1975 the Ford administration cited the defeat of the puppet regime in Saigon, the successes of national liberation movements in several African countries, and the supposedly mounting "Soviet military threat" as reasons to build up U.S. military potential in two ways: by increasing the defense budget by 5-6 percent a year with adjustments for inflation and by increasing the number of Army divisions and Air Force wings by around 20 percent, but without an increase in total armed forces personnel. Ford's first intention was realized only in part (the real rate of increase in the defense budget in 1975-1976 was around 2 percent a year because of congressional cuts and a higher rate of inflation than anticipated), but he was able to carry out his second plan almost in its entirety.

When Carter took office in 1977 after promising during the campaign to cut projected Republican military expenditures by 5-7 billion dollars, he reduced the defense budget for FY 1978 slightly and set an annual rate of increase of 3 percent (with adjustments for inflation) in the defense budgets of the United States and its NATO allies in the next 5 years. American military expenditures grew without any increase in armed forces

personnel and even with a slight decrease in their number, but the number of workers and employees in the defense industry began to rise. In the draft defense budget for FY 1981, the Carter administration planned a real increase of 5-6 percent in military expenditures, citing the events in Iran and Afghanistan as the reason and using most of the extra funds for the creation of the interventionist "rapid deployment force," intended primarily for operations in Southwest Asia. In other words, another potential theater of military operations made its appearance in U.S. politico-military strategy, and the concept of "one and a half wars" began to turn into the concept of "one and two-thirds wars." As a result, the real increase in U.S. military spending in the second half of the 1970's was around 15 percent.

If we must evaluate U.S. military policy as a whole during the years of the Nixon, Ford, and Carter administrations and take a look, now in retrospect, at the change in the degree of militarization in the 1970's, we can say that U.S. military spending as a whole (in comparison with 1969) decreased by around 15 percent in comparable prices and the number of armed forces personnel decreased by more than 40 percent. By the end of the decade proportional military expenditures in the GNP had been reduced by half—from 10 to 5 percent—and the number of armed forces personnel had been reduced by a factor of 1.5—from 3.6 million to 2 million.⁵

The third postwar peak of militarism in the United States—and it is significant that it was not connected with factors comparable to the wars in Korea and Vietnam—began at the start of the Reagan administration in the 1980's, when the rate of increase in American military spending was more than twice as high as in the second half of the 1970's and when—and this is particularly important—proportional military expenditures in the GNP began to increase. By the end of the current decade U.S. military expenditures were to reach 400 billion dollars a year or more, and their share of the GNP was to be 7.5 percent. In other words, the degree of militarization was to rise 1.5-fold (it rose by 25 percent during the war in Vietnam).

The Reagan administration's basic views on U.S. military policy were formulated during the future president's race for the White House. His campaign was of a distinctly militaristic nature. The presidential candidate and his supporters used every opportunity to criticize the Carter administration for its alleged insufficient efforts to build up U.S. military strength, for its indecision and inconsistency in the use of military force as a foreign policy instrument, and for its part in weakening NATO and diminishing the United States' leading role in the bloc.

Reagan's campaign program and its politico-military aspects were officially formulated in the Republican Party platform approved at the party convention in July 1980. It was the first time since the end of the 1960's that

the achievement of military superiority to the Soviet Union was declared as an actual goal. To this end, a dramatic increase in military spending and the quicker completion of programs for the buildup of strategic nuclear forces and general-purpose forces were planned.

At the beginning of 1981 the Pentagon's projected military budget for fiscal years 1981-1982 was increased by 5.8 billion dollars, and military expenditures for fiscal years for 1981-1986 were to exceed the Carter administration's last military program by 118 billion dollars. Whereas the Carter administration had planned to spend 293 billion dollars (or 5.9 percent of the GNP) on defense in FY 1986, the Reagan administration increased the sum to 336 billion, or 7 percent of the GNP.⁶

President Reagan announced his program for the development of strategic nuclear forces in October 1981 in the White House.⁷ Blaming the previous administration for the "insufficient" American efforts in this area, as a result of which the so-called "window of vulnerability" had supposedly been opened, Reagan announced a "comprehensive plan for the reinforcement and modernization of the strategic triad—land-based ICBM's, SLBM's, and strategic bombers." The program consisted of five points.

1. The construction and deployment of 100 strategic B-1B bombers as quickly as possible; the continued equipping of existing heavy bombers with long-range cruise missiles; the development of fundamentally new strategic bombers almost indiscernible to radar and their deployment in the 1990's.

2. The reinforcement and augmentation of sea-based strategic forces: the continuation of the stepped-up construction of submarines to carry Trident missiles, the development of heavier and more accurate Trident II SLBM's, and the deployment of nuclear cruise missiles on some existing multipurpose submarines and surface ships.

3. The completion of the work on the new MX intercontinental ballistic missile (the "Peacekeeper"), but the renunciation of its too costly mobile land-based variant in 4,600 blast-resistant shelters; the reduction of the number of MX ICBM's to be deployed in the future from 200 to 100 and the deployment of part of them in existing silos for Minuteman missiles after securing their heightened blast-resistance.

4. The modernization of the command and control systems of U.S. strategic nuclear forces and the enhancement of their survivability and effectiveness.

5. The improvement of the strategic defense system: broader cooperation with Canada in the modernization of North American air defense; the continuation of the work on BMD systems, especially for the protection of the increasingly vulnerable land-based ICBM's; an increase in allocations for civil defense.

As a result of this program, the number of American strategic nuclear weapons which could "survive a Soviet nuclear attack on the United States" was to be doubled in the 1990's. Another goal was guaranteed communication with strategic forces during an attack, immediately following the attack, and, if necessary, for a long time afterward.

Reagan was in office less than a year when he approved the secret plan to ensure that the United States would "prevail" in a protracted nuclear war. This plan, which was set forth in a special document, was based on the idea that it was possible to win a global nuclear war. His program for the buildup of strategic nuclear arms was designed to attain this goal.

Therefore, even the first year of the Reagan administration proved that it intended to turn the clock backward, achieve strategic superiority to the USSR, and dictate its own policy to the world from a position of strength. After encountering real socioeconomic difficulties in the drafting of federal budgets, the growth of budget deficits and the federal debt, opposition in Congress, the struggle of American workers for their economic and social rights, and the Soviet peace initiatives, however, Reagan had to lower the growth rate of military spending slightly as early as summer and fall 1981.

In 1983 an event took place in the United States and made changes of fundamental importance in U.S. politico-military strategy, military policy, and military programs. On 23 March President Reagan made a speech in which he proposed the development of an ABM system with space-based elements, which threatened to destabilize the strategic situation and led to the dramatic growth of Pentagon allocations for ABM research and development.

If we try to evaluate the augmentation of defense budgets, armed forces, and arms during the first 7 years of the Reagan administration in the most general terms, we derive the following information.

In 1980-1987 the total number of strategic delivery vehicles for U.S. nuclear weapons (ICBM's, SLBM's, and heavy bombers) increased from 1,784 to 1,820. This included the addition of 27 Peacekeeper ICBM's, 192 Trident I SLBM's, and 58 B-1B bombers and the scrapping of 52 Titan II ICBM's, 27 Minuteman ICBM's, 80 Polaris SLBM's, and 75 B-52D bombers. The number of strategic nuclear weapons with guaranteed delivery systems rose almost 1.5-fold, from around 9,000 to 13,000, through the addition of new MIRV'ed ICBM's and SLBM's and the equipping of heavy bombers with strategic cruise missiles.⁸

The main change the Reagan administration made in general-purpose forces during this period was the augmentation of the number of regular army divisions from 16 to 18 and reserve divisions from 8 to 10. The United States deployed 108 Pershing II intermediate-range ballistic missiles (in place of Pershing I missiles) and 128

cruise missiles in Western Europe. The number of planes of U.S. Air Force and naval operational- tactical aviation rose by around 10 percent (from 1,608 to 1,812 and from 696 to 752 respectively), and the number of U.S. naval ships rose by around 20 percent (from 479 to 569). The combat capabilities of the "rapid deployment force" and special forces and also of airborne and naval vehicles for the strategic transfer of U.S. armed forces to remote theaters of possible military operations increased substantially.

It is quite difficult to answer the question of what particularly politico-military strategy governed the development of U.S. Armed Forces in the 1980's. It is clear that the strategy called "flexible response" was the guiding factor for NATO as a whole, but the American "flexible response" of the 1960's included the concept of "strategic nuclear superiority" (triple or quadruple) and the training of general-purpose forces to fight "two and a half wars" (including one big war with the PRC), while NATO's "flexible response" of the 1980's (at a time of strategic nuclear parity) has presupposed the training of the bloc's general-purpose forces only for one big war with the Soviet Union and two or three "small wars" with other potential adversaries.

The strategy of "realistic deterrence" was officially announced in the United States in the 1970's. It substituted the concept of "strategic nuclear sufficiency" for the concept of "strategic nuclear superiority" and the concept of "one and a half wars" for the concept of "two and a half wars." At the end of the Carter administration another potential theater of military operations for a "small" war—Southwest Asia—made its appearance in U.S. foreign policy doctrine and politico-military strategy, and the concept of "one and a half wars" turned into a concept which could be called the concept of "one and two-thirds wars."

In his speeches, C. Weinberger refused to stipulate the exact number of wars for which American general-purpose forces were to be trained, calling this a "mechanistic approach." He was the one, however, who came out with the idea of the global "geographic escalation" of a local conflict with the USSR and its allies to an indefinite number of theaters of military operations and the concept of aggressiveness and preparedness for a protracted non-nuclear war with the Soviet Union. In essence, however, he was adhering to the same concept of "one and two-thirds wars," implying preparations for "one big war" with the USSR and its allies in Europe and two or perhaps even three "small wars" with the USSR and its allies in, for instance, East and Southwest Asia and also in Latin America.

In general, the Reagan administration's politico-military strategy, which is commonly called the strategy of "direct confrontation" in Soviet literature, is actually closer to the "realistic deterrence" of the 1970's than to the "flexible response" of the 1960's, although NATO is still adhering to the strategy of "flexible response." It

differs from "realistic deterrence" because the concept of "strategic nuclear sufficiency" (implying the maintenance of some superiority in strategic nuclear weapons) objectively became the concept of "strategic nuclear parity," and the training of general-purpose forces for "one and a half wars" has been replaced by preparations for "one and three-fourths wars."

Real U.S. military expenditures in current prices rose from 154 billion dollars in FY 1981 to 274 billion in FY 1987, their share of the GNP rose from 5.2 to 6.2 percent, and the percentage of the labor force employed in the military and military-industrial sector rose from 4.7 to 5.5 percent. The number of regular armed forces personnel increased from 2.05 million to 2.17 million, the number of reserve personnel rose from 870,000 to 1.16 million, the number of civilian employees rose from 920,000 to 1.04 million, and the number of American servicemen stationed abroad increased from 400,000 to 520,000.⁹

These are the general indicators of the third postwar surge of militarism in the United States, marked by an increase not only in real military expenditures (they also increased in the second half of the last decade) but also, and this is particularly important, in their share of the GNP, and also in the number of armed forces personnel and the rate of arms renewal. Between 1981 and 1986 the Pentagon's actual military expenditures rose from 190 billion dollars to 266 billion in FY 1986 prices, and their average annual rate of increase was almost 5 percent. The U.S. military policy line became more aggressive in so-called "low intensity" conflicts (Lebanon, Grenada, Nicaragua, Afghanistan, the Persian Gulf, etc.).

When we assess the scales and nature of the Reagan surge of militarism, we are struck by the Reagan administration's attempts, especially in its initial stages, to imply that the United States had virtually unlimited financial, material, scientific, and technical capabilities, which Washington hoped would secure U.S. military superiority, force the Soviet Union to increase its defense spending considerably, complicate its socioeconomic development, and escalate the arms race.

The foreign and military policy the Reagan administration announced at the beginning of the 1980's was so expansionist, aggressive, and anti-Soviet that in 1982 the Joint Chiefs of Staff demanded an increase in the number of army divisions from 17 to 23, of Marine divisions from 3 to 4, of carrier task forces from 15 to 24, of air wings of operational- tactical aircraft from 27 to 44, and of heavy transport planes from 348 to 1,308 by the end of the decade. This would have required the addition of at least another 750 billion dollars to Reagan's military program requests of 1.6 trillion dollars for fiscal years 1982- 1986.¹⁰

The implementation of Reagan administration policy, however, was impeded by at least two almost insurmountable obstacles.

The first was the limited possibility of federal cuts in social programs and increased military spending in the domestic political atmosphere of the 1980's in the United States. The federal debt of more than 2 trillion dollars, the federal budget deficit of more than 200 billion, and the law Congress passed on the elimination of the deficit by the end of the decade represented serious restrictions on the further militarization of the United States. As a result, the armed forces buildup and rate of increase in proportional military expenditures in the GNP in the last 7 years have been no more than half as great as those announced at the start of the Reagan administration.

The second obstacle is the logical and peaceful foreign and military policy of the Soviet Union and other socialist countries, aimed at solving the problems of the limitation and radical reduction of nuclear and conventional arms in accordance with the principles of sufficiency, equality, and equivalent security. The Soviet program for the complete elimination of all nuclear weapons on earth by the year 2000, the fundamentals of a comprehensive system of international security proposed by the 27th CPSU Congress, the new political thinking, the Soviet-American summit meetings in Geneva and Reykjavik, the signing of the INF Treaty in Washington, and the continuation of the Soviet-American dialogue and consolidation of earlier agreements at the meeting in Moscow provide reason to anticipate positive results.

Given this turn of events, proportional military expenditures in the American GNP will not rise to the 7.5 percent planned by the Pentagon, but could decrease to, for instance, the level of the end of the last decade—i.e., to 5 percent. By the same token, the Soviet Union could also increase the share of its resources used for the acceleration of economic development and the enhancement of public well-being. This would not hurt anyone's security and would benefit the people of both countries and people of goodwill throughout the world.

The data cited in the annual report of the Reagan administration's second secretary of defense, Frank Carlucci, confirmed the abovementioned tendency toward reduction in real military expenditures and their share of the GNP. This report was submitted to Congress in February 1988 and said that a real decrease in the Pentagon budget began in 1987 (296 billion dollars in FY 1987, 287 billion in 1988, and 286 billion in 1989, in 1989 prices). There was a corresponding decrease in proportional military expenditures in the GNP: 6.2 percent in FY 1987, 5.9 percent in 1988, and 5.7 percent in 1989.¹¹

This was accompanied by the announcement that the slight reduction of the defense budget would not affect programs for the development of strategic nuclear forces, including the SDI program, but would only transfer some general-purpose forces to the combat reserve: two air wings of operational-tactical aviation and one wing of

carrier aviation, as well as one army brigade, but all of this will be done after 1989. As for strategic forces, the number of strategic delivery systems has risen from 1,820 to 1,964 since 1987, including an increase from 27 to 50 in the case of the Peacekeeper ICBM's and from 58 to 90 in the case of the B-1B bombers. Allocations for the SDI program totaled 3.3 billion dollars in FY 1987 and 3.6 billion in 1988 and the projection for FY 1989 is 4.5 billion dollars.¹²

All of this testifies that priority is now being assigned to efforts to implement the agreements on the reduction of U.S. and USSR strategic offensive arms by 50 percent and to promote the quicker drafting of a mandate and quicker commencement of talks between the NATO and Warsaw Pact countries on the reduction of armed forces and conventional arms in Europe from the Atlantic to the Urals.

There is also something else. The military potential and level of military preparations of a country like the United States cannot be underestimated, but it is just as harmful to overestimate them, as was frequently done during the period of stagnation and is still being done to a certain extent today. The negative implications of overestimation are self-evident: On the one hand, we are publicizing exactly what reactionary groups in the United States and their military-industrial complex are also taking every opportunity to publicize—their position of strength and allegedly unlimited economic capabilities; on the other, we allow ourselves to become involved in an excessive arms race, thereby complicating the attainment of our own most important socioeconomic objectives.

Unfortunately, we were inclined to overestimate U.S. military programs until recently, and our propaganda made its "contribution" to the assumption of "strong American trump cards" in disarmament talks. By striving for symmetrical responses, we allowed ourselves to become increasingly involved in the arms race.

The need to augment political means of safeguarding security was underscored at the applied science conference of the USSR Ministry of Foreign Affairs on "The 19th All-Union CPSU Conference: Foreign Policy and Diplomacy" in Moscow on 25-27 July 1988. The decisions of the 19th All-Union Party Conference on the establishment of a constitutionally secured mechanism for the discussion and approval of major foreign policy decisions suggest the need for the kind of legislative procedure in which all military and military-industrial agencies are under the jurisdiction of superior, publicly elected officials. This would apply to decisions on the use of military force outside the country, plans for defense construction, and public access to military budget information.

This kind of mechanism would aid in more accurate assessments of the international politico-military situation and the elaboration of the optimal military and

foreign policy for our country in line with the principles of the defensive military doctrine and the reasonable sufficiency of armed forces and arms.

Footnotes

1. In the 1930's, before the start of World War II, U.S. military expenditures did not exceed 1 percent of the GNP and the number of armed forces personnel was just over 300,000. At the height of World War II proportional U.S. military expenditures rose to 45 percent of the GNP and the number of armed forces personnel reached 12 million. After the war ended, proportional military expenditures and the number of armed forces personnel decreased to 4 percent and 1.5 million respectively ("The Economics of Defense Spending," Washington, 1972, pp 8-9, 190- 193).

2. "Istoriya SShA" [U.S. History], vol 4, 1945-1980, Moscow, 1987, p 139.

3. "The Economics of Defense Spending," pp 8-9, 192.

4. "Istoriya SShA," vol 4, pp 302-303.

5. "Department of Defense Annual Report, FY 1981," Washington, 1980, pp 1-15.

6. W. Kaufmann, "Defense in the 1980's," Washington, 1981, pp 4-5.

7. THE NEW YORK TIMES, 3 October 1981.

8. C. Weinberger, "Report to the Congress on the FY 1988/FY 1989 Budget and 1988-92 Defense Programs," Washington, 1987, p 337.

9. Ibid., pp 86, 329.

10. J. Record, "Revising U.S. Military Strategy," Washington, 1984, p 45.

11. F. Carlucci, "Report to the Congress on the Amended FY 1988/FY 1989 Biennial Budget," Washington, 1988, pp 125-300.

12. Ibid., p 240.

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Effects of U.S. Budget Policy Since 1980

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[Article by Sergey Konstantinovich Dubinin, candidate of economic sciences and senior scientific associate at Moscow State University imeni M.V. Lomonosov: "The Federal Budget in the U.S. Financial System (First Article)"]

[Text] In the current decade the U.S. administration hoped to strengthen the national financial system by surmounting its inherited problems of inflation and monetary instability and to create favorable conditions for the intensification of capital formation and accumulation on this basis. This was supposed to promote the restructuring of the economy and the enhancement of international competitive potential.

The main method of implementing this plan consisted in influencing the dynamics of credit and other financial assets in the process of social reproduction. Changing the direction of the flow of financial resources or influencing the "rules of play" in their profitable use were the main objectives of the government agencies regulating U.S. economic affairs. The federal budget is the principal policy instrument of government regulation. Consequently, the successes and failures of budget policy can be judged only with a view to the degree to which measures in this area have contributed to the resolution of the most "volatile" problems in the economy.

Evolution of Budget Policy

The scales of the financial operations of the government budget make it an important macroeconomic factor of social reproduction. The income and expenditure operations of the U.S. federal budget largely determine the specific conditions for the advancement of monetary capital and its transformation into productive forms. The budgetary redistribution of financial resources serves as a strong instrument of pressure on all financial patterns in the economy.

The diversified network of financial relations in the economy, mediated by the movement of monetary and other liquid assets during the course of social reproduction, constitutes the financial system of the economic machinery of contemporary state-monopolist capitalism. The federal budget and the instruments of monetary regulation controlled by the central bank create institutionalized opportunities for the government's "involvement" in the dynamics of financial resources.

Throughout the 1980's federal budget expenditures steadily represented around 23 percent of the GNP while collected revenues represented around 19 percent (see Table 1) [table not reproduced]. Therefore, the proportion accounted for by government expenditures in the GNP was higher than in the previous decade. In general,

the expenditures of the combined budget of agencies at all levels of government—federal, state, and local—amounted to 37 percent of the GNP.¹

The data on the budget's share of gross national income are not of fundamental importance in themselves (this figure is much lower in the United States than, for instance, in Western Europe). What is important is the steady participation of the governmental subsystem of the economic mechanism in the determination of the directions of financial flows in the economy for many years. The government budget has become an integral part of the financial system of the economic machinery of U.S. state-monopolist capitalism. It was precisely in the sphere of financial relations that government regulation began to converge daily with private monopolist practices. They are merging and converging through a network of financial ties, transactions, contracts, and tax payments.

In an attempt to expand the influence of private monopolist market forces on the distribution of financial resources, the Reagan administration announced its goal of reducing the budgetary redistribution of gross income through the channels of the system. It hoped to reduce proportional federal expenditures to around 19 percent of the GNP. The proportion accounted for by taxes was to be stabilized by diminishing the progressive nature of taxation. In this way it hoped to balance the federal budget on a relatively low level.

This objective was part of the conservative economic program of "Reaganomics."² These new budget policy goals, however, were easier to declare than to attain. The federal budgetary mechanism built into the U.S. financial system has a strong force of inertia. The nation's economic organism had "adapted" to the specific patterns and volumes of financial flows directed through the budget. Any radical change in the size or composition of these would cause feverish socioeconomic symptoms.

As a result, U.S. budget policy took on a paradoxical nature: On the one hand, the budgetary redistribution of financial resources in unchanging proportions ceased to be a genuine regulator because it turned into a permanent element of the financial system; on the other, attempts to activate budget regulation by reordering the priorities of federal allocations and conducting tax reform were blocked by conflicts between "interested parties." These conflicts were reflected in clashes between the administration and various groups in Congress. In recent years disputes over the budget have frequently turned into genuine confrontations, and the necessary long-term consensus between the legislative and executive branches has been replaced by temporary compromises.

Now it is impossible to see a firm line and complete plan in the budget policy, and even in the entire economic policy, of the Reagan administration. We could be amused by this along with the American journalist who

said that "history has demonstrated that Ronald Reagan collected economic recommendations like a person filling his plate at a buffet dinner: He took a little tax cut from here, added a few monetary restrictions from there, helped himself to a large slice of deficit financing, and topped it all off with the devaluation of the dollar for dessert."³ It is pointless, however, to focus only on the external side of the matter. Many presidential economic declarations have suffered the same fate.

Ever since the beginning of the 1980's budget strategy has been built on the assumption that tax cuts lead to the accumulation of private savings and that this secures a strong flow of financial resources into industry, services, and trade. The anticipated growth of the GNP was supposed to cover all government expenditures, including substantially expanded military programs, without any tax increases. As a result of this operation, the "responsibility" for the reduction of proportional budget expenditures in the GNP was transferred from the numerator in the fraction (total expenditures) to the denominator (GNP). Economic growth was supposed to solve all of the government's financial problems.⁴

A comparison of the projected federal budget expenditures of the Reagan administration when he first took office to the projections made during Carter's term proves that differences in total allocations were almost minimal from the very beginning. If the calculations are made in stable 1972 prices with a GNP deflator, the total reduction of expenditures from 1982 to 1986 should have amounted to around 23 billion dollars. If the consumer price index is used as the deflator, Reagan's projected budget expenditures exceeded Carter's by 7 billion dollars.⁵

According to the theorists of "Reaganomics," the problem of defining budget expenditure priorities was connected with the redistribution of budget resources and not the reduction of allocations. In general, however, government expenditure patterns have been quite static up to the present time. In view of the fact that more than 75 percent of the federal budget consists each year of uncontrollable appropriations allocated on the basis of earlier decisions,⁶ the administration had little choice: It could either let the American public watch it become involved in fierce battles with Congress and try to revise the procedures for the payment of funds for social insurance programs and pensions to veterans and civil servants or it could make selective cuts in programs that were least "painful" for the majority of voters. The latter include aid to the poorest strata of the population and grants to state and local governments. Observers who knew the workings of "political kitchen" had no trouble guessing "whose goose would be cooked."

At first the administration and Congress believed that they had reached an acceptable compromise. They had left social insurance funds untouched and were simultaneously expanding military appropriations dramatically in the hope that the increase in overall economic activity

would allow for the financing of military construction even with a lower level of taxation.

Annual U.S. military purchases increased by 50.5 percent between FY 1980 and FY 1988. The only expenditures displaying a higher rate of increase were the interest payments on the federal debt—82.3 percent—while payments to private individuals (including all forms of social insurance and medical insurance) increased by only 20.6 percent. Domestic programs not connected, in contrast to social insurance, with the advance collection of special taxes and financed from the “community chest” of tax revenues were reduced by 26.7 percent. The administration is planning further “cuts” in domestic economic and social expenditures of this type. Total cuts in fiscal years 1980-1992 should amount to around one-third of the initial figure.

Military programs are known to have been the Reagan administration's chief priority. When the administration agreed to a slightly lower rate of increase in military appropriations in the draft budget for fiscal year 1989, it was hoping to avoid fierce battles in Congress over the “price” of militarist preparations during the presidential campaign. Pentagon officials have said, however, that the reduction of military expenditures in real terms is a purely temporary development. At least a 2-percent increase in military expenditures in constant prices is planned in the next few years.

The relative stability of social and medical insurance programs in spite of the threat of budget austerity is not only a result of their special legal status, connected with the special nature of these budgetary and extra-budgetary funds, but also of purely political considerations. Any proposals with regard to a “freeze” or decrease in pensions and benefits paid for earlier by the population in the form of social contributions evoke an extremely negative reaction from the U.S. voters. In general, transfers of budget funds to private individuals represent around 10 percent of the U.S. GNP. In other words, they are virtually on the same level as they were 10 or 15 years ago. The compromise the conservatives and liberals reached on the stability of social insurance programs, however, cannot guarantee their future inviolability.

Tax policy is a prominent factor in U.S. economic policymaking. Tax reform has always been a milestone in the development of economic policy. The taxation of corporate income, including the system of short-term depreciation, investment tax credits, and the capital gains tax, has the most direct effect on the size and structure of capital advances for productive investment. The government's influence on the formation of capital is quite distinct here. This is why there has been a much greater interest in tax regulation and tax legislation in recent years. As we know, what might be described as two waves of tax reform swept through the United States in 5 years.

The first phase in 1981 and 1982 reduced the maximum personal income tax rate from 70 to 50 percent and cut all income taxes by around one-fourth.

The 1986 tax reform was certainly an important event in budget policymaking in the current decade because it continued the dramatic reduction of the progressive nature of income taxes. Instead of the earlier 14 rates, with the maximum rate equivalent to 50 percent, there are now only 3 rates—15, 28, and 33 percent. Minimum taxable income was raised to 2,000 dollars. The reform also dramatically diminished possibilities for the reduction of the taxable income of private individuals by deducting various earlier payments (local taxes, interest on consumer credit, etc.).

The effects of the reform of corporate income taxes are particularly difficult to judge. Earlier laws passed at the beginning of the decade reduced proportional corporate taxes to just under 9 percent of total federal budget revenues (8.4 percent in FY 1985). Some companies, for example, ceased to pay taxes completely. The broader use of short-term depreciation schedules and investment tax credits, however, stimulated the growth of total capital investment and largely predetermined investment patterns. Investments in long-term real assets—buildings, installations, and land—turned out to be most convenient as far as taxes were concerned.

After the economy needed investments in fields with an absolutely new technological structure, several earlier tax allowances were counterproductive. The 1986 reform abolished the investment tax credit. According to the authors of the law, this will leave firms free to invest funds in new fields of production on the basis of market assessments of the effectiveness of investments.

Their opponents maintain that the probable heightened interest in financial speculation rather than in investments in high technology and the capital gains tax will reduce the profitability of venture capital operations and thereby hurt the development of technologically advanced fields. The proposal regarding the cancellation of the capital gains tax won little support, however. On the contrary, the rate was raised from 20 to 28 percent. The reduction of the maximum income tax rate from 46 to 34 percent is supposed to compensate the corporations.⁷

The general structure of the 1986 tax reform and the methods of its enactment increased budget revenues in FY 1987 by 11 billion dollars in comparison with projections based on earlier legislation. In the next 2 fiscal years, however, revenues should decrease by 22 billion dollars a year.⁸

The data in Table 1 [not reproduced] illustrate the fairly stable level of tax revenues in the federal budget in relation to the GNP. Expenditure and income indicators, however, have shown no sign of convergence. In fact, the legislation of the early 1980's undermined the

system of built-in budget stabilizers in earlier U.S. government finances.⁹ In all, budget funds collected in 1981-1986 are estimated at 718 billion dollars below the initial projections for earlier tax legislation. If earlier methods of taxation had been retained, it is obvious that the decrease in taxes during the economic recession of 1980-1982 would have been partially covered by the growth of revenues during the years of cyclical prosperity.

Structural Deficit in the Federal Budget

The conservatives were unable to implement any of the elements of their theoretical machinery of budgetary influence on the economy but the two extreme points—the two most widely separated elements: They did cut taxes and they did increase military spending. This did not, however, increase the rate of economic growth enough to cover budget allocations even with the lower rates of taxation. As a result, the balanced budget edifice never went past the blueprint stage because it had no real economic foundation.

The data in Table 2 [not reproduced] testify that one of the central objectives of administration budget policy—a balance between federal budget income and expenditures—is further from attainment today than it was at the beginning of the decade.

After 1980 steps were taken in budget policy which turned the deficit into a structural part of the American economic system. When these budget decisions were made at the beginning of the decade, the economic recession justified, in the opinion of the conservatives, the intensive inflation of "tax expenditures" and increase in military appropriations, but in subsequent years it became obvious that this had led to a situation in which the federal budget deficit could not be reduced even during periods of economic recovery.

In current prices the budget deficit increased from 73.8 billion dollars in FY 1980 to 221 billion in 1986. In other words, it almost tripled. The average annual deficit in fiscal years 1981-1986 was 154 billion dollars, as compared to 31 billion in fiscal years 1971- 1980.¹⁰

The official projections for FY 1989 predict a deficit of 129.5 billion dollars, or less than 3 percent of the GNP. The overwhelming majority of American experts agree, however, that the rate of economic growth will be lower than the projected figure and that the deficit will be higher. Many years of experience in American economic and sociopolitical affairs have taught observers to be extremely wary of optimistic budget forecasts. Chairman of the FRS Board of Governors A. Greenspan, for example, made his own deficit prediction for FY 1989, saying that it would certainly surpass the FY 1987 figure of 148 billion dollars.¹¹

The American President's budget message and economic report—interrelated documents describing administration economic policy—are sent to the legislators each

January and February. In particular, they contain projections of the budget deficit for the current fiscal year and for 5 years in advance. Ever since 1976, when budget documents were submitted for the first time in their present form, the administration has never been able to predict the deficit with absolute accuracy even at the time when the books on the current fiscal year are being closed. The discrepancies have ranged from 2 billion dollars in 1982 to 13 billion in 1978.

Whereas assessments of the current state of affairs have frequently been more negative than they turned out to be at the end of the fiscal year (the deficits were below the projected figures in 7 out of 10 cases between 1976 and 1985), forecasts for the future have always been too optimistic. The more remote this future is, the greater the accomplishments the public is promised.

The understatement of federal budget deficits increases catastrophically in official forecasts as the future grows more remote. The average understatement was 24 billion dollars for the next year, 59 billion for 2 years in advance, 110 billion for 3 years, 158 billion for 4, and 212 billion for 5.¹²

Forecasts prepared by private consulting firms and by research institutes independent of the government are more accurate in many cases, if only because they employ models of cyclical economic growth. Even here, however, figures are no more than an illustration of current trends extrapolated into the future. Nevertheless, we will cite a forecast drawn up by the President's Commission on Federal Expenditure Control, better known as the Grace Commission because its chairman is prominent businessman J. Grace. These data are based on the forecasts of the Data Resources research firm and were published in 1984 (see Table 3 [not reproduced]). According to the commission, the continuation of the expenditure of budget funds and the collection of taxes according to the existing system should increase the deficit to around 2 trillion dollars.¹³

The growth of the federal debt was a direct and immediate result of deficit financing. Between 1981 and 1987 it increased from 906 billion dollars to 2.3 trillion. Each day of the year, not counting weekends and holidays, the U.S. Treasury Department borrows 500 million dollars to finance the federal budget deficit and service the federal debt.

Under these conditions it became essential to gradually reduce the federal budget deficit and to balance the budget, but this is extremely hard to do. According to R. Heller's calculations, the per capita annual federal deficit in the 1980's was around a thousand dollars. To cover the deficit, each American family would have to have paid another 4,000 dollars in taxes each year.¹⁴ L. Thurow demonstrated that in FY 1984, for example, the GNP would have had to be 18.7 percent greater to cover the deficit (around 165 billion dollars) without any increase in taxes and only through economic growth.

For several years now it has been announced that the elimination of the deficit is one of the main objectives of administration budget policy, but the Reagan administration's actual proposals boiled down to the same old ideas of amending the U.S. Constitution to obligate the federal government to balance the budget and making partial improvements in the budgeting process. These measures are incommensurate with the urgency of a time when, in R. Reagan's words, the "budgeting process is simply ruined and needs radical revision."¹⁶

When the administration categorically refused to resort to substantial tax increases to balance the budget, attention was focused on the prospects for reducing or deterring the growth of budget expenditures. Even this goal, however, turned out to be difficult to attain. The present situation is one in which 1 dollar is collected in the form of taxes for each 1.58 dollars of growth in government allocations.¹⁷ The law passed in 1985 on a balanced budget and emergency deficit control, better known as the Gramm-Rudman-Hollings Act, was supposed to restrain the growth of expenditures. Its approval by Congress and signing by President Reagan were only made possible by the urgency of the situation in which no political group in the country could deny the importance of deficit reduction.

There was no precedent for the reduction procedure in the U.S. budgeting process. Each August the Office of Management and Budget and the Congressional Budget Office were to estimate the budget deficit for the next fiscal year. If the projected deficit exceeded target expenditures by 10 billion dollars or more, cuts had to be made in allocations for government programs, half in military allocations and half in civilian programs.

Several types of non-military allocations were exempt from reduction by the terms of the same law: The "protected" expenditures primarily included social insurance payments, the Medicare and Medicaid programs, and so forth.

Heated arguments in 1987 led to a decision to change the procedure for the calculation of the budget deficit ceiling and the total cuts in expenditures. The rigid absolute figures of the earlier "targets" were replaced by a flexible formula for the achievement of politically and economically feasible reductions. In its present form the Gramm-Rudman-Hollings Act envisages special congressional resolutions on each expenditure reduction.

After almost continuous meetings for 2 months in October-December 1987, congressional leaders and cabinet members reached a compromise in which cuts would total 30.2 billion dollars in FY 1988 and 45.9 billion in 1989. As a result of this method of "reduction" the deficit for FY 1988 is projected at 147 billion dollars, as compared to 148 billion in FY 1987. This prompted a sarcastic remark from Senator A. D'Amato: "Only in

Washington can a deficit reduction package of 30 billion dollars really mean an increase of 47 billion dollars in budget expenditures."¹⁸

The feverish process of hammering out the budget compromise at the end of 1987 coincided with increasingly widespread worries about the possible effects of the dramatic reduction of deficit financing, namely the risk that the economy would be propelled into an imminent cyclical recession. Statements of this kind sound all the more convincing after the October stock market crash in New York.

The advocates of decisive action to reduce the deficit in order to restore the trust of financial markets in government economic policy, however, are demanding quick steps in this direction. The Reagan administration actually chose a course of extremely cautious maneuvers, in which the announcement of the need to reduce the deficit has not been accompanied by any real action, and monetary policy has been aimed at sustaining the relatively low interest rates in loan capital markets. The agonizing search for ways of controlling federal budget expenditures and the deficit clearly revealed the limited potential of the use of government finances for the purposeful regulation of economic processes.

Footnotes

1. ATLANTIC MONTHLY, October 1987, p 44; "The Control and Management of Government Expenditure," OECD, Paris, 1987, p 18.

2. For a more detailed discussion, see "Amerikanskiy kapitalizm v 80-ye gody. Zakonomernosti i tendentsii razvitiya ekonomiki" [American Capitalism in the 1980's. Patterns and Tendencies of Economic Development], Moscow, 1986; "Kritika burzhuaznykh teoriy GMK. Problemy 'smeshannoy ekonomiki'" [Criticism of Bourgeois Theories of State-Monopolist Capitalism. The Problems of the "Mixed Economy"], Moscow, 1984.

3. FINANCIAL WORLD, 17 November 1987, p 625.

4. The question of whether the supporters of "Reagonomics" sincerely believed that their chosen policy line would stop the widening of the gap between budget expenditures and revenues or were consciously expecting an inevitable increase in deficits and the federal debt while hypocritically concealing their real plans is still one of the disturbing topics of public discussion in the United States.

5. "The Federal Deficit," edited by A. Kimmens, New York, 1985, pp 205-206.

6. In FY 1987, for example, 771 billion dollars in federal expenditures of the total 1.0156 trillion (i.e., 75.8 percent of the total) were described by experts as "relatively uncontrollable payments." In FY 1986 the figure was

75.3 percent (calculated on the basis of data in INTERNATIONAL CURRENCY REVIEW, October 1987, pp 20, 23).

7. J. Pechman, "Tax Reform, Theory and Practice," Washington, 1987, p 19.

8. "Initial Sequestration Report for Fiscal Year 1987. Hearing Before the Temporary Joint Committee on Deficit Reduction of the U.S. Senate and the House of Representatives," Washington, 1986, p 25.

9. These are described in detail in such works as: I.M. Osadchaya, "Sovremennoye keynsianstvo. Evolyutsiya keynsianstva i neoklassicheskiy sintez" [Contemporary Keynesianism. The Evolution of Keynesianism and Neo-classical Synthesis], Moscow, 1971; idem, "Konservativizm protiv reformizma" [Conservatism vs. Reformism], Moscow, 1984; V.P. Volobuyev, "Finansovyye dilemmy SShA. Evolyutsiya byudzhethnogo regulirovaniya ekonomiki" [U.S. Financial Dilemmas. Evolution of Budgetary Economic Regulation], Moscow, 1987.

10. INTERNATIONAL CURRENCY REVIEW, October 1987, p 24.

11. THE NEW YORK TIMES, 25 February 1988.

12. P. Manchester, "Are We on the Road to a Balanced Budget? The Budget for Fiscal Year 1987 and the Forecasting Record Under Budget Act of 1974. A Staff Study. Joint Economic Committee, Congress of the United States," Washington, 1988, pp 5, 6.

13. J. Grace, "Burning Money. The Waste of Your Tax Dollars," New York-London, 1984, p 9.

14. INTERNATIONAL CURRENCY REVIEW, October 1987, p 22.

15. P. Bell and L. Thurow, "The Deficits: How Big? How Long? How Dangerous?" New York-London, 1985, p 101.

16. THE NEW YORK TIMES, 26 January 1988.

17. CONGRESSIONAL RECORD, 6 November 1987, p S16012. Virtually all leading American economic experts with whom the author had a chance to discuss the prospects for a balanced federal budget, including A. Rivlin, L. Thurow, and C. Shultz, regard higher taxes as the only effective way of reducing the budget deficit. A unique opinion has been expressed by the experts who, like R. Eisner, see no real need to give up deficit financing.

18. CONGRESSIONAL RECORD, 4 December 1987, p S17339.

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Report on May 1988 U.S.-Soviet Conference on Greenhouse Effect

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[Article by A.A. Kokoshin and V.I. Sokolov: "International Political Aspect of Greenhouse Effect"]

[Text] It is difficult to believe that cities like Cairo, Shanghai, or New Orleans could cease to exist in a time of peace. However unimaginable this might seem today, scientists believe that this is a distinct possibility and that it is not as remote as it might seem at first. The existence of these and many other cities, in the opinion of scientists, could be threatened if the level of the world's oceans were to rise by just 1 meter as a result of the observed tendency toward global warming. Incidentally, American climatologists associate the unprecedented heat in the United States last summer with this tendency. In all, four of the hottest summers in the last 100 years have been recorded in the United States in the 1980's.

A Soviet-American teleconference on the global greenhouse effect and related global warming began in May 1988. This is not an ordinary scientific conference. Scientists from the two countries plan to work together for a year with the aid of computerized communication systems on committees, in discussion groups, and on an individual basis to analyze the processes and consequences of climatic changes in the world. The conference has two distinctive organizational features. First, there is the high level of personal communication between scientists involved in the research and, second, there is the "asynchronous" nature of discussions: Computerized communications allow for the instantaneous commencement of discussions and provide time for reflection and for sharing additional observations with any of the participants.

The scientists plan to investigate strictly scientific issues (tendencies in atmospheric pollution and climatic changes), economic issues (the effects of warming on agriculture and other spheres of productive activity), and the international political issues connected with climatic changes.¹

The conference is of an interdisciplinary nature. Although it was organized by the Space Research Institute of the USSR Academy of Sciences and the U.S. University Corporation for Atmospheric Research, participants on the Soviet side include specialists from the Leningrad State Institute of Hydrology, the Atmospheric Physics Institute of the USSR Academy of Sciences, the State Committee of the USSR for Hydrometeorology, the Central Aerological Observatory, the Atomic Energy Institute imeni Kurchatov, the Institute of U.S. and Canadian Studies, and others, and American participants include scientists from the University of California and University of Minnesota and specialists from the

renowned ecological organization called the National Council on Natural Resources, the World Resource Institute, and other research institutes and centers.

It is no coincidence that scientific forces in different fields from the leading powers have been mobilized, because this is one of the problems connected with global ecological stability and security. The essence of the problem is that the predicted warming of the climate as a result of the accumulation of carbon dioxide in the atmosphere, producing the greenhouse effect, could be the most dramatic rise in temperature since man first appeared on the earth. Average temperatures on the planet could rise 1.5-4.5 degrees centigrade, according to various estimates, by 2050. The effects of this warming could be quite unexpected. One is the rise in the level of the world oceans, which some specialists expect to amount to 1.4-2.2 meters by 2010. There are also other, more conservative estimates, but they do not change the essence of the problem.

What trends have been observed in the accumulation of CO₂ in the atmosphere? Special studies of air bubbles in glaciers indicated that the CO₂ content in the atmosphere in 1860 was 260 parts per million. Now the figure is already 346 parts per million, or 30 percent higher. The main thing, however, is that the concentration of CO₂ has been increasing most intensively in the last few years (it has increased by more than 9 percent since 1958, when the regular observations of atmospheric CO₂ began). Forecasts also predict that the concentration of CO₂ could reach 600 parts per million by 2075 if the present tendency continues, and this would cause perceptible changes in climatic conditions. Here are the dynamics of absolute indicators of CO₂ emissions: It has been estimated that 93 million tons of CO₂ entered the atmosphere in 1860, but the figure was already 1.6 billion tons in 1950, over 3.9 billion in 1970, and over 5.2 billion in 1986. Most of the CO₂ is released when oil, coal, wood, and other fuels are burned. In addition to this, forests are still being burned in the developing world to make room for agriculture.

Scientists are not always unanimous, however, in their opinions of the tendencies observed. Some of them believe that the warming of the climate will be more intensive because the greenhouse effect is also the result of some other gases now accumulated in the atmosphere (methane, nitrogen oxides, chlorofluorocarbons, and others). There is also another opinion: Other factors could influence the climate more than the high CO₂ content. For example, these scientists believe that a 3-percent change in the vapor content of the atmosphere or a 1-percent increase in the average cloud cover could compensate completely for a 10-percent change in average temperatures. The oceans can also absorb heat and carbon dioxide from the atmosphere, but a rise in the temperature of the oceans could increase the concentration of CO₂ in the atmosphere.

It is probable, however, that the most important and decisive fact is that climatic changes will depend on how

efficient and reasonable man's development of his economic activity will be. The Institute for Energy Analysis in the United States, for example, estimates that the more efficient use of energy throughout the world by just 2 percent would reduce the level of CO₂ in 2075 from the projected 600 parts per million to only 463 parts per million.

This is the essence of the problem, but scientists already feel obligated to learn what is happening in the global ecological situation and to investigate the possible consequences of this.

To some extent, responses or, more precisely, proposed answers to these questions can be found in reports and speeches at international conventions. For example, at meetings in Villach (Austria) and Bellano (Italy) in fall 1987, P. Gleick from the University of California (Berkeley) presented a report on "The Effects of Global Climatic Changes on International Security" and explained how these changes would affect international relations, economics, politics, and security. A document drafted at the meeting of scientists from 29 countries in Austria in 1987, organized by the UN Environment Programme, the World Meteorological Organization, and the International Union of Scientific Societies, says that long-range economic projects can no longer be based on earlier climatic patterns. They must be based on the assumption that the greenhouse effect will result in the substantial warming of the climate and that this could destroy and flood coastal zones, increase the probability of high tides, change the nature of agriculture in many regions, of off-shore drilling for oil and gas, and of construction in permafrost zones, which could disappear, etc. The remodeling of irrigation systems alone would require, according to specialists from the World-watch Institute in Washington, 200 billion dollars.

In addition to economic changes, there will be unavoidable changes in the security of states and the stability of international relations in general. Some researchers of conditions in the Arctic zone believe that the expansion of shipping as a result of the melting of glaciers will necessitate the serious reconsideration of the entire security system in the northern regions of Europe and Asia and in North America. As for international stability as a whole, large-scale climatic changes could lead, in Gleick's opinion, to conflicts over the responsibility for these changes (i.e., over relative contributions to global pollution) in connection with regional and other differences in the nature and scales of negative effects and in connection with differences in the ability of countries to adapt to new climatic conditions (the construction of dams, the resettlement of inhabitants, changes in agricultural production and the infrastructure, etc.). Of course, it is impossible to estimate the effects of climatic changes on, for instance, food production in the world with any degree of accuracy at this time.

One of the increasingly acute problems giving rise to international conflicts is the water supply. This is connected with the constant growth of water pollution and

the increasing consumption of water. According to UN data, more than 75 percent of the territory of almost 50 countries is located in the basins of international rivers, and there are more than 214 of these. They include, for example, the Danube, which runs through 12 countries, the Nile, which runs through 9, and the Rhine, which runs through 8. Around 40 million people live on the banks of the Rhine. Although special commissions have been set up to settle disputes and complaints in connection with the use of international rivers (the U.S.-Canadian international commission, the Danube international commission, and others), they usually perform only consulting and advising functions, and there is virtually no legal machinery for the resolution of conflicts.

The issue of responsibility for global pollution, which is discussed by Professor Gleick, will probably be one of the central issues in intergovernmental relations for a long time. It is obvious that it is related to the national sovereignty of countries to some extent.

The global ecological problem requires a global approach because the absence of actions to prevent pollution in some countries could nullify international efforts in this area. National sovereignty could be used as a pretext, however, to limit the degree of influence exerted on these countries by the world community. Some UN decisions already evince attempts to correct this situation. Speakers at the seminars in Austria and Italy, for example, referred repeatedly to the 21st clause in the UN declaration on the environment, which was adopted back in 1976 and which specifically says: "In accordance with the UN Charter and international law, states have the sovereign right to exploit their own resources and to conduct their own policy in the sphere of environmental protection and they are responsible for activity conducted under their jurisdiction or supervision to ensure that it does not hurt the environment of other states or regions outside the bounds of national jurisdiction."

Therefore, there is the assumption that national decisions (primarily economic decisions affecting the ecological situation) are dependent on the interests of other states and the world community as a whole. Experts from the Worldwatch Institute included this statement in their last annual report: "We are entering a new era in which the ecological implications of economic activity go far beyond national boundaries." Prime Minister G. Brundtland of Norway, the head of the International Commission on the Environment and Development, also believes that "the point of departure for new international initiatives should be the realization of the fact that national decisions have international implications and require the corresponding degree of responsibility."

The establishment of an international legal mechanism which will, in the opinion of its current advocates, secure the evaluation of the ecological impact of national decisions from the standpoint of their effects on the environment of other countries or the global environment would

create opportunities for the exertion of pressure on the political or economic situation in various countries. Interference in internal affairs could also be practiced on the noble pretext of preserving the "common heritage of mankind." Nevertheless, the issue of responsibility even for regional pollution in today's interconnected world has already led to several intergovernmental conflicts. One example is the conflict between the United States and Canada over acid rain. We also have something to consider: After all, several of our ecological problems are already crossing our borders. The issue of responsibility could be quite serious in the event of global ecologically harmful situations, and the mechanism for the resolution of these conflicts must be designed today.

As for the problems of climate maintenance discussed here, scientists are analyzing various proposals on the creation of the elements of this kind of mechanism. They could include, for example, the formation of an intergovernmental committee on climate as part of the World Meteorological Organization, the passage of national laws on the atmosphere as a global possession, and the organization of a world climatic conference.

One of the main discussion topics of the Soviet-American teleconference was the strategy of preventing global warming. Scientists from both countries are already completely aware that investments in the more efficient use of energy (and, consequently, the reduction of atmospheric pollution by carbon dioxide and other gases producing the greenhouse effect), the exploitation of renewable energy sources, and the restoration of the forests—which could be described as the lungs of the planet—can be regarded as "capital investments" in climatic stability. The work of the new Rocky Mountain Institute (Colorado), headed by A. Lovins, an active participant in the Soviet-American dialogue, is interesting in this connection. Lovins and his research team believe that security issues in today's world should be investigated within the context of the energy crisis and the related ecological crisis. One of the main ideas Lovins expressed is that the world, and particularly the United States, could have avoided many conflicts in the last decade and could have been more secure if effective measures had been taken 10 years earlier for the efficient use of fuel and energy resources. The tension surrounding the main oil-producing zones of the planet would have been incomparably weaker. It is significant that Lovins is far from the only U.S. scientist who acknowledges the need to establish a comprehensive system of security in the world, with politico-military, economic, ecological, and other elements (the creation of this kind of comprehensive security system was proposed, as we know, by the Soviet Union at the 42d session of the UN General Assembly in 1987 and the 43d in 1988).

Specialists from the Worldwatch Institute believe that it is time to review the very concept of national security because economic and ecological problems sometimes pose as much of a threat as armed aggression. Here is what L. Brown, director of the institute, wrote, for

example: "The extensive destruction of natural support systems and the deterioration of ecological conditions...pose a threat to national and international security which now rivals the traditional military threat." It is a fact that the process of ecological destabilization is quickly picking up speed and has brought some developing countries to the verge of extinction. The planet's tropical forests are disappearing at a rate of 11 million hectares a year (for the sake of comparison, the area of Greece is just over 13 million hectares). According to the estimates of the same institute, the amount of available farmland decreases each decade, mainly because of erosion, by 7 percent. Deserts are absorbing around 6 million hectares a year. Scientists believe that one-fifth of all known species of plants and animals could disappear in the next 20 years. Under these conditions, Brown says, the attention of the world public "might be shifted gradually from the problem of East-West confrontation, which was the dominant issue in world affairs throughout the lifetime of a whole generation, to the problem of the severance of ties between the population and life support systems, which would threaten the security and survival of many people."

The Rocky Mountain Institute also drew up the special program for the reassessment of national security. The program, its authors write, is based on the realization that the dominant concepts today are making mankind poorer and are diminishing security. Institute researchers are trying to give the concept of security a new form guaranteeing common security. We will not talk about how new the idea of "common security" is, because the important thing is the increasing awareness of the need for the new thinking in today's complex international relations, the awareness that intimidating the "enemy" does not enhance one's own security at all. The alternative proposed by the Rocky Mountain research team consists of many elements. For example, the authors of the program include the transition to a genuinely defensive military machine, the settlement of existing conflicts by non-violent means, etc. The authors feel that the elimination of the economic and ecological causes of conflicts is another important part of the creation of the "alternative security system." One of these is the struggle for resources—fuel, crude minerals, water, land, and food. The organization of the more efficient use of resources, including conservation, and the substitution of more accessible materials for those in short supply will also reduce the possibility of conflicts in the world. The research of T. Sabonis-Chafe from the same institute is indicative in this respect. According to his data, at least a fourth or even a third of the U.S. defense budget is used in connection with the purchase of strategic raw materials. For this reason, the real price of the oil the United States receives from the Persian Gulf zone, for instance, is 8-12 times the nominal price.

It is no coincidence that the Rocky Mountain researchers back up their views with the example of energy conservation in the United States and its beneficial effect on the ecological situation. Incidentally, the energy

expended per unit of gross national product decreased by 24 percent there between 1972 and 1982. American scientists believe that if the energy requirements of the U.S. economy had stayed at the level of 15 years ago, four times as much oil would have to be imported, and additional expenditures on energy would total 150 billion dollars a year. Energy conservation, according to American researchers, enhanced the security of the United States in terms of several parameters, including the "relative relaxation of tension in the Persian Gulf" (U.S. behavior, in their opinion, would have been more aggressive if the U.S. economy had been more dependent on oil from this region). The financial savings was substantial, nuclear power engineering was developed to a lesser degree, and consequently, according to American scientists, there was less opportunity for the proliferation of nuclear weapons. Here is an interesting example: If the annual budget of the "rapid deployment force," which was also intended to secure U.S. "vital interests" in the Middle East, had been used to eliminate the loss of heat in the housing sector, the energy conserved could have compensated almost completely for imports of oil from the Middle East. Finally—and this is equally important—energy conservation also reduces atmospheric pollution. Of course, this line of reasoning and these arguments in a study of security issues could be disputed, but the study notes that internal reserves to reduce the danger of conflicts under the conditions of the increasing interdependence of today's world are not fully appreciated.

It is precisely on this basis that scientists recommend greater reliance on scientific and technical achievements in U.S. resource policy, particularly the replacement of scarce and strategic raw materials with more accessible resources and the search for ways of utilizing and recycling physical resources. According to the data of the Congressional Office of Technology Assessment, for example, other materials can already be substituted for one-third of the chromium used in the United States (there are no reserves of chromium in the United States), and another third could be conserved. Improvements in the technology of metallurgical production could reduce the consumption of scarce manganese by 45 percent by the year 2000 and this, according to the institute's experts, would eliminate one of the main obstacles keeping the United States from signing the UN International Convention on the Law of the Sea (problems in the extraction of seabed manganese concretions). Although this view seems too simplistic, it nevertheless reflects the opinions of an increasing number of American scientists.

There is another important feature of the program. The "guarantee of security for all nations" and "elimination of the causes of violence," advocated by the researchers from the distant state of Colorado, cannot be accomplished without close cooperation by countries, including the coordination of technological resource policies and the reciprocal enrichment of national experience in these fields, which will, in turn, require more political

trust than that which is gradually taking shape today in, for instance, the politico-military sphere.

This also applies to ecological stabilization in the world. Taking practical steps to prevent or eliminate dangerous ecological situations and surmount man's dependence on conditions dictated by the natural environment, which might transcend the boundaries of the earth, will require a high degree of trust between members of the world community. In this context, the cooperation by the scientists of the two greatest powers in the stabilization of the earth's climate will make a perceptible contribution to the reinforcement of political trust between countries.

Footnotes

1. Many of these issues are being investigated as part of the research project on the effects of environment changes on the climate within the framework of the USSR-U.S. agreement on cooperation in environmental protection.

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Political Lessons of Presidential Election Viewed
18030007f Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 89 (signed to press 20 Dec 88) pp 73-77

[Article by V.O. Pechatnov: "After the Election (Letter from Washington)"; words in italics as published]

[Text] The U.S. capital lives by politics in the literal and figurative sense. Even the people in Washington, however, breathed a sigh of relief the morning of 9 November: not because George Bush had been elected the new, 41st president of the nation, but because the distressing and seemingly endless 1988 campaign was finally over. Although it has already become part of history, the Americans (and others as well) now have to live with its consequences, and they are complex and contradictory.

On the one hand, there is the conclusive victory (426 electoral votes to 112) of G. Bush, the first incumbent vice-president since M. Van Buren (1836) to be elected head of state. For the first time in 60 years the Republicans have won the right to control the White House for three terms in a row.

On the other, there is the continuation and even the slight reinforcement of the Democrats' confident majority on all other levels of inter-party competition: Their majority increased from 54 to 55 seats in the Senate and from 255 to 262 seats in the House of Representatives. They won another gubernatorial seat (the balance is now 28 to 22 in the Democrats' favor) and retained control of the legislative assemblies of most states, winning almost 50 more seats in the legislatures. For the first time in

U.S. history the winning presidential candidate's party simultaneously suffered defeat in *all* other elections.

It is not surprising that local correspondents are having trouble deciphering the hidden meaning of the elections and are offering the most diverse explanations of what happened and predictions of "where America is headed." Of course, these interpretations are influenced by the politico-ideological likes and dislikes of their authors.

The right wing and the conservatives are striving to convince each other and the public at large that Dukakis' defeat is nothing other than the "collapse of liberalism," giving the Republicans a "conservative mandate" to continue and develop the "counter-reformation" in the spirit of early Reaganism.

This interpretation cannot stand up to serious criticism. The previously mentioned Democratic victories and the Republicans' lack of new "home fronts" do not fit into this interpretation at all. Not only did the Republicans fail to move ahead on all other levels of government, but even on the top level they lost support (in comparison with 1984) in such important groups of voters as union members, young people between the ages of 18 and 24, the inhabitants of the northwestern regions, and the "Reagan Democrats." The elections proved that the Republican strategists' cherished hopes for the radical regrouping of party political forces in the country on the conservative wave of the 1980's were nothing but a dream.

And this is not all. The presidential campaign was certainly not a "referendum on liberalism," in which opposing political ideologies came into clear conflict. Michael Dukakis conducted his campaign in an extremely pragmatic, de-ideologized manner, making every effort to evade traditional liberal stereotypes. Bush, in turn, based his campaign on attempts to discredit his rival instead of on a positive political platform. As a result, the campaign became so politically meaningless and negativist that the efforts to portray the election results as a serious "public mandate" are a risky and unproductive pursuit.

This is why most correspondents are now explaining the outcome of the elections primarily in terms of the candidates' tactics and personalities. They are directing attention to Dukakis' mistakes and weaknesses on the one hand and to the effectiveness of Bush's negativist campaign on the other. It is true that both played an important role, and the Republicans obviously excelled in the desire and ability to wage fierce "psychological warfare" in order to demoralize and discredit the opponent.

In my opinion, Dukakis made two serious mistakes. First of all, he made a serious mistake at the very beginning by removing all of the ideological content from his platform and subordinating it completely to his main slogan: "This election is a test of competence, not of ideology." In view of Bush's impressive service record, the attacks on his competence did not give

Dukakis any perceptible advantage and, what is most important, were contrary to the very essence of presidential elections—a deeply symbolic and almost ritualistic act in which emotional, moral, ideological, and political factors have traditionally had the strongest influence on the voter's perception of the candidates. Dukakis' passionless technocratic arguments and proposals left even many supporters of his own party indifferent.

The Republicans were quick to notice this "vacuum" in Dukakis' image and hurried to fill it with their own content—to re-ideologize, so to speak, the governor of Massachusetts according to their own wishes by portraying him as a "leftist liberal" too "soft" on crime and on external enemies and indifferent to the flag, religion, and other immutable values of genuine Americanism. Several facts were skillfully and persistently exaggerated as the main evidence: the prisoner furlough program in Massachusetts (which, incidentally, also exists in many other states), Dukakis' disagreement with the compulsory pledge of allegiance to the flag in schools as something unconstitutional, and his cautious views on the deployment of new weapons systems.

It was then that Dukakis, as he himself admitted after the election, made another mistake: His opponents' accusations seemed so absurd to him that he did not condescend to respond to them, thereby leaving the Republicans completely free to finish the caricature of Dukakis himself and of liberalism in general. It was not until a few days before the election, when he noticed the disastrous erosion of his base of support, that he countered these attacks by openly allying himself with the liberal tradition and defending it, speaking in the language of a populist and addressing the genuine interests of the lower levels of his own party. They began to respond: According to a NEW YORK TIMES-CBS poll, Dukakis won the votes of 57 percent of all members of labor unions and their families, 54 percent of all students, 62 percent of all people with an income below 12,500 dollars a year, 69 percent of the Hispanics, and 86 percent of the black voters. Like the mythological Antaeus, Dukakis gained new strength from this belated contact with the land, but only enough for a dignified defeat.

If Dukakis had taken this tack from the very beginning, Jesse Jackson's supporters and other leftwing Democrats are saying today, everything might have turned out differently. The problem was not an excess of liberalism, they are telling the Right, but a clear shortage of it. Obviously, this explanation is valid to some extent.

It appears, however, that even if Dukakis had conducted a flawless campaign and had looked more "presidential," it still would have been extremely difficult for the Democrats to move into the White House this year. The relative calm in the economy and the distinct relaxation of international tension constituted the foundation of "peace and prosperity" on which the Republicans' presidential monopoly rests. The "peace" is indisputable, just as indisputable as the change for the better

in Soviet-American relations, which is improving the entire international atmosphere perceptibly. The "prosperity" is more selective and problematic, especially over the long range, in view of the increasingly severe problems of the huge budget and foreign trade deficits, foreign debt, and declining competitive potential in world markets. In addition, there was the exacerbation of social problems during the Reagan years.

Nevertheless, an appreciable number of voters felt comfortable enough to leave everything as it was in Washington, including...the Democrats on Capitol Hill. Might this not be one of the reasons for the initially strange-looking split ballot—a vote for a Republican president and a Democratic Congress?

It would be wrong to accuse the entire American public of taking an "ostrich-eye view" of disturbing realities. Conversations with the most diverse people and with authoritative experts on public opinion indicate that Americans are increasingly disturbed by deep-seated problems and aware of the need for new approaches to these problems, especially approaches involving the reinforcement of the nation's economic and social foundation as the main source of its strength. According to a poll of voters by a group of leading experts within the framework of the "Americans Talk About Security" research project, 59 percent of the respondents feel that the greatest threat to U.S. national security is the economic competition with Japan and other highly developed countries, and only 31 percent feel it is military rivalry with the USSR; only one out of every five Americans believes that the United States is still the world's leading economic power. This is an indication of what they want from the new President: 43 percent of the respondents feel that his main objective should be a stronger economy, 38 percent feel he should address social problems (education, poverty, and the homeless), and only 15 percent see a "strong national defense" as the main objective. All of this, as the authors of the research stress, represents "almost the complete opposite" of the public mood at the beginning of the 1980's.

Among thinking Americans these new imperatives are giving rise to serious intellectual debates with regard to the future of the nation. Is it repeating the fatal errors of the great powers of the past by undermining its productive forces with the imperious ambitions inherited from the "golden age" of American hegemony from outside and with careless consumption from within and thereby hastening its own decline? How can the inevitable transition to the position of a more modest power be accomplished with minimum difficulty—for the Americans themselves and for the rest of the world? These questions, which were first raised in Yale University Professor Paul Kennedy's thorough historical study, "The Rise and Fall of the Great Powers," have aroused extensive and lively debate, and the book itself has been on the best-seller list for months—an extremely rare case for an academic work.¹ Many people hoped that the presidential campaign would provide new momentum

for big national debates and would move the nation ahead in an awareness of its fundamental problems and in the choice of the best solutions.

What happened was closer to the opposite. The campaign only reached the heights of realism occasionally, and it quickly deteriorated into a mud-slinging contest and a series of crude efforts to ingratiate candidates with the public, in which, I repeat, the Republicans obviously set the tone. Instead of appealing to reason, they played on the simplest emotions and basest instincts, including racial and ethnic prejudices; instead of addressing the civic conscience, they indulged egotism and self-righteousness; instead of discussing real problems, they lulled the Americans with shameless lies and distracting praise of the "greatest and most wonderful nation on earth."

It is no coincidence that some local correspondents are unconsciously directing attention to the growing gap between Washington and Moscow in the form of a political debate. In an article with the significant title "The Russians Make Us Feel Ashamed of Ourselves," filled with impressions of a recent trip to Moscow, D. Shieler, the former NEW YORK TIMES correspondent who now works for the Carnegie Endowment, wrote: "They (the supporters of perestroika—V.P.) have created an atmosphere in which each idea has merit, each remark is meaningful, and all suggestions and criticism have serious implications for the economic and political future of the country." He then went on to say: "Things are different in America: The indecent trivia of the presidential campaign concealed real problems from Americans. Slogans and labels were bandied about. George Bush's crude use of patriotic symbols and the fear of crime and Michael Dukakis' use of class antagonism to split the nation looked particularly hollow against the background of the Soviet debates." Prominent American historian and journalist G. Wills concluded his final report on the election with words of regret about "an America which has turned into a frightened empire, hiding its own problems from itself."

Yes, it is hard to give up familiar illusions, especially after 8 years of rule by an outstanding illusionist, a man who was able to convince many that everything is fine in America, that it is still capable of doing anything at all, and that all they have to do is close their eyes....

In spite of this, the political game played by the rules of conservative stagnation (flag-waving instead of criticism) is no longer a big hit with spectators. Never since the 1924 election has voter turnout sunk so low: to 48-49 percent of all eligible voters, according to preliminary estimates.

Who is to blame for this degradation of the electoral process? The public blames politicians and television, television and the politicians blame each other, and all of them complain that the very process of "the making of the president" takes too long and is too irrational. Voices

advocating the reform of this process are growing louder, and perhaps the stupefying effects of this last campaign will motivate Americans to take real action.

Although this election produced neither a clear mandate nor a new balance of Republican-Democratic power, it did introduce significant changes into the political situation and the atmosphere within each of the parties.

The Democrats' latest defeat in the presidential race (the fifth in the last six elections) will lead to another bout of self-analysis and intra-party struggle. Their transformation on the national level into the party of Congress and chronic opposition is atrophying the executive, potentially presidential wing of the party and weakening its role in government policymaking and in the active molding of voter opinions. The second defeat in a row for a representative of the liberal wing of the party will strengthen the position of its rivals, especially the moderate and conservative Democrats in the southern states. Their leaders, C. Robb (the senator-elect from Virginia), Senator S. Nunn from Georgia, and others, are urging a more conservative party stance on social and military issues by asserting that the only road to the White House lies "through the south." The election proved, however, that there is also the possibility of another, "north-western" road: For the first time since the days of F. Roosevelt, Dukakis regained the states of Oregon and Washington for the Democrats and lost to Bush by only a small margin in California and Colorado. Although the "southern strategy" has been protested vehemently by the party's left wing, the political center of gravity is nevertheless shifting, at least temporarily, toward greater conservatism.

For the Republican Party the election signified the completion of a phase in its evolution from an alliance of rightwing and conservative forces under the aegis of the former, as it was in the early 1980's, into a conservative-rightwing bloc expressing the views of the junior partner. This evolution began in Reagan's time and was reflected in the overall shift in his policies and the gradual removal of the most zealous rightwing officials from the administration. The election of Bush will give the conservatives control of the composition of the new administration and its policies. Although the struggle here is just beginning, the president-elect's first key appointments suggest the further reduction of the "rightwing presence." Even Bush's campaign rhetoric about a "kinder and gentler nation" and his promises to tackle the problems of education, the environment, and medical care are a strong indication of the Republicans' new, more moderate political guidelines.

People in Washington are now trying to guess what lies ahead: the consolidation of the "Reagan revolution," "Reaganism minus the ideology" (as TIME magazine wrote), or the "end of the Reagan era" and the beginning of Democrat-dominated congressional rule?

It is clear that the new administration will have to deal with a group of urgent and serious domestic problems. The main ones are the almost mutually exclusive jobs of reducing the budget deficit and increasing allocations for immediate social needs, and without any new taxes, which Bush categorically refused to levy during his campaign. What is on the agenda, therefore, is not so much the completion of the "Reagan revolution" as the elimination of its most destructive after-effects, a process of correcting earlier errors, which has always been more difficult.

The political resources of the new administration are much more modest than those with which Reagan entered the White House. First of all, we repeat, it does not have a clear mandate from the voters or a precise program of action. Bush's main economic recipes—a "flexible freeze" on government spending and the reduction of the capital gains tax—have aroused strong doubts even in his own camp. According to a post-election poll conducted by CNN and the LOS ANGELES TIMES, for example, only 24 percent of those who voted for Bush support the first idea, and just 7 percent support the second. The administration will have greater possibilities in the foreign policy sphere, especially in Soviet-American relations, where the Reagan legacy is more positive and the choices are clearer.

Second, the new administration will begin its work in an atmosphere of "divided rule" and will be held in check by a much stronger and more confident opposition than the demoralized Democratic minority of 1981-1982. This opposition has its own ideas about ways of solving national problems, especially in domestic policy.

Finally, and this is also quite important, the new Republican team in the White House will no longer have its present captain and most valuable player—Ronald Reagan. Historians will be the ones to pronounce judgment on the 40th President's contradictory contribution to the history of his nation, but there is no question that this strong personality's departure from the center of the political stage will deprive the conservative movement of a commonly acknowledged leader, with no apparent replacement as yet. His successor obviously has his own good points and he might be an outstanding president, but it is the general consensus that he does not have Reagan's consummate ability to hold an audience and instill the nation with a sense of comfort and of satisfaction with itself and its leader in spite of all of the failures of his policies and the accumulation of problems.

Footnotes

1. See the condensed version of this book in SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1988, Nos 10, 11—Ed.

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Book Briefs

18030007g Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 89 (signed to press 20 Dec 88) p 104

[Reports by M.A. Gorev on book "Latinskaya Amerika—SShA: revolyutsiya i kontrrevolyutsiya" [Latin America—United States: Revolution and Counterrevolution] by V.G. Bushuyev, Moscow, Mezhdunarodnyye otnosheniya, 1987, 276 pages, and by A.A. Konovalov on book "SShA: federalnyy byudzhety i natsionalnyye priority (sotsialno-ekonomicheskiye aspekty)" [U.S. Federal Budget and National Priorities (Socioeconomic Aspects)] by V.S. Vasilyev, Moscow, Nauka, 1987, 208 pages]

[Text]

Latin American—United States

The 1970's and 1980's have been a period of particularly dramatic changes on the "volcanic," or "smoldering," continent, as Latin America is described. The author discusses two interrelated processes. On the one hand, there is the establishment of democratic regimes in the majority of countries and their struggle to defend their sovereignty, to institute a new, more just international economic order, and to settle conflicts in Central America by peaceful means. On the other, there are the U.S. attempts to employ political, military, and economic leverage to bring the entire system of the imperialist domination of the continent out of a state of crisis unprecedented in history and to take social revenge on the region. The author has painted a sweeping and multifaceted picture of the struggle between these forces.

U.S. Federal Budget and National Priorities

The machinery of the U.S. federal budget and the use of federal expenditures in the interest of the American bourgeoisie are analyzed in detail in this work.

The work contains an extremely interesting investigation and summary of the reasons for the increasing "inertia" of the federal budget—i.e., the rising percentage of expenditure items connected with earlier federal commitments or legislative acts. There is an interesting analysis of the Reagan administration's unsuccessful battle against the "resource-devouring" staff and programs of the federal government. The author cogently reveals the stronger class-related criteria for the distribution of federal budget items among revenue sources. He presents an extremely interesting analysis of the tax loopholes used by corporations and high-income segments of the population to shelter much of their income against taxation.

The author also examines the tendencies toward the growth of the federal budget deficit and federal debt and

their influence on the national economy. This is far from a complete list of the topics discussed in this interesting and extremely useful work.

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Biographical Profiles of Bush, Quayle

18030007h Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 89 (signed to press 20 Dec 88) pp 105-106

[Text] As soon as the preliminary election results were known, Bush, who was in Houston at the time, issued an announcement thanking everyone who had supported him, calling on Congress to work with him productively, and promising to make every effort to make America "strong and decisive in world affairs." During a press conference in Houston at that time, Bush discussed Soviet-American relations. He stressed that he was in favor of a new Soviet-American summit meeting as soon as possible and said that arms control, human rights, and regional conflicts should be the main topics of discussion. Bush said that James Baker, the man he had appointed to serve as U.S. secretary of state in the new Republican administration, would begin preparations for the meeting in January. Baker, the former secretary of the treasury, had given Bush invaluable support in organizing his campaign. The new President also reaffirmed his views on several important foreign policy issues, views he had expressed several times during the campaign.

Bush's advantage first became apparent after the Republican national convention in August 1988. It was then that the gap between him and Democratic candidate M. Dukakis began to decrease in size; public opinion polls of that time recorded a gap of 17 points. This advantage, however, did not acquire completely distinct outlines until after the second round of televised debates on 13 October 1988 in Los Angeles. The Americans finally believed in his ability to govern the nation and his promises to "be a worthy successor to President Reagan." By that time Bush was 6 points ahead of his rival in the polls. This may not seem like much, but in view of the summer figure it was a gigantic advance.

The results of the Republicans' 8 years in office as a whole benefited the party's candidates: On the one hand, there was the improvement in the international climate, particularly in relations with the Soviet Union; on the other, there were favorable economic conditions—a relatively low rate of inflation, a steady rate of taxation, and the lowest rate of unemployment in the last 14 years—5.3 percent in October 1988, according to Department of Labor statistics (0.1 percent below the September figure).

Although the Democrats had justifiably mentioned the huge public debt, the record-breaking federal budget deficit, and other problems in the U.S. economy in their

campaign speeches, they were unable to propose a sufficiently constructive program to surmount these tendencies (just as the Republicans themselves were unable to do so).

Nevertheless, the choice was made, and although we have already discussed the Republican Party candidates in this journal, we will now introduce them to the readers as the president and vice-president of the United States. They will take office on 20 January 1989.

The 41st President of the United States, George Herbert Walker Bush, was born on 12 June 1924 in Milton (Massachusetts) into a wealthy family of bankers; his father represented the state of Connecticut in the American Senate from 1952 to 1963. Bush's life could be regarded as a model American political career. He volunteered to serve in the Navy Air Corps in World War II and then attended Yale University, graduating with a bachelor's degree in economics. He then moved to Texas and became successful in the oil business, founding the Zapata Petroleum Corporation in 1953. He was active in the local Republican Party organization and first ran for the U.S. Senate in 1964, but he lost the race. In 1966, with the support of southern businessmen, especially in the oil business, he won a seat in the House of Representatives of the U.S. Congress and stayed there for two terms. He was the U.S. permanent representative to the United Nations from 1971 to 1973 and headed the Republican Party National Committee in 1973 and 1974. The Ford Administration made him the head of the U.S. liaison office in Beijing in 1974. In 1975 he was recalled from China and was appointed director of the CIA.

In 1979 Bush announced his candidacy as one of the Republican contenders for the office of the U.S. presidency but then yielded to Reagan's leadership. Reagan offered him the vice-presidential slot in the hope of winning the support of the influential eastern establishment groups backing Bush. They remained on the same ticket for a second term and won the 1984 election.

Bush supported President Reagan's policy line unconditionally and proved to be an capable politician.

When Bush decided to run for the presidency, he announced several times that he would continue pursuing Reagan administration policies. In particular, he announced his intention to continue nuclear arms control talks with the USSR, stressing that he would conduct them from a position of strength. He advocated the reduction of the strategic arsenal and the prohibition of chemical and biological weapons but also supported the modernization of nuclear forces, the deployment of the costly MX and Midgetman missiles, and the continuation of the work on the "Star Wars" program. He is also in favor of military aid to the Nicaraguan contras and the unconditional support of Israel.

In the sphere of domestic policy Bush favors the reduction of the inordinate U.S. federal budget deficits, which frequently exceeded 200 billion dollars a year under the

Reagan administration, but he has not yet said how he plans to do this. He did announce that he had no intention of raising taxes under any circumstances. Bush also promised to relieve America of its illegal drug problems, to fight against crime, and to improve the educational system.

The next vice-president of the United States, the 44th, James Danforth (Dan) Quayle, was born on 4 February 1947 in Indianapolis into a family of newspaper magnates. He graduated from DePauw University in Greencastle (Indiana) in 1969 and from the law school of Indiana University in 1974. He practiced law and worked as an associate publisher of the family newspaper. Quayle has been a member of the U.S. Congress since 1976, in the House of Representatives at first and then in the Senate since 1980. He was a member of the Senate Budget Committee, Committee on the Armed Services, and Committee on Labor and Human Resources. He is considered to be one of Reagan's most loyal supporters and he voted for Reagan's economic program. In matters of military and foreign policy he is categorized as a "hawk": He supports the SDI program and higher military spending and he had vehement objections to the INF Treaty, voting for it only after some of the treaty provisions with regard to weapons of the future had been clarified. A 1982 law on occupational training, envisaging the allocation of 3 billion dollars a year for the training of around 1.3 million indigent workers, is considered to be Quayle's greatest achievement in the Senate. This, however, has not kept him from voting against higher allocations for the creation of jobs.

The leading television network, NBC, commented that the Republican right wing expects Quayle to support its ideas and serve as its spokesman in the administration.

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